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Latin America Report

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INTER-AMERICAN AFFAIRS

LATIN AMERICAN PARTIES SCORE PARAGUAYAN, CHILEAN REGIMES

PY141626 Paris AFP in Spanish 1955 GMT 12 Apr 86

/Text/ Bueros Aires, 12 Apr (AFP)--A seminar of Latin American democratic parties concluded today in Buenos Aires with a condemnation of the Chilean and Paraguayan military regimes, which were described as anachronistic, authoritarian governments.

The participants also rejected the policy of power politics and aggression used against the Nicaraguan people and the action taken in that region by imperialist forces.

In a final declaration, summing up the conclusions of the seminar, the participants recommended the creation of a regional forum of democratic political parties with a broad Latim American spirit and with a view to preclude hegemonic attempts by any country or region.

The document states that if those problems threatening to prompt Latin America's disintegration are not overcome, in the 21st century we will find ourselves not only definitely excluded from the benefits of progress and developments but also without any chance to have a democratic, civilized, and egalitarian sociopolitical life.

The participants of this seminar, which was organized by the Arturo Illia /a late Argentine president/ Foundation, stated that in Latin America divisive rather than integrationist forces prevail.

They described as divisive forces those promoting imperialist interests and those privileged groups controlling the domestic situation in their countries as a result of the division and inability of democratic and popular leaders to overcome their problems.

In this respect, they cited the Chilean and Paraguayan regimes as clear examples of anachronistic, authoritarian governments in the continent, and called upon all democratic parties to promote the changes needed in all Latin American societies.

The document adds that poverty, underdevelopment, political instability, human rights violations, terrorism--even in its most brutal form, state terrorism--are stumbling blocks that should be removed to consolidate democracy in our nations.

The political leaders who attended the seminar also referred to the Central American crisis and endorsed the right to self-determination enjoyed by all peoples; and the respect of the people's sovereignty, and of principles of national and territorial integrity.

They finally rejected the policy of power politics and aggression used against the Nicaraguan people and endorsed the efforts of the Contadora Group (Colombia, Mexico, Panama, and Venezuela) and of its Support Group, in seeking a political solution to that conflict.

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CSO: 3348/520

INTER-AMERICAN AFFAIRS

ARGENTINE LEGISLATOR ON PANAMA MEETING, CONTRAS' U.S. AID

PY111737 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1159 GMT 11 Apr 86

/Text/ Buenos Aires, 11 Apr (NA)--Federico Storani, chairman of the Chamber of Deputies Foreign Relations Committee, today stated that the U.S. Government is seeking greater freedom of action to "make the situation ungovernable in Nicaragua" through its support of the Nicaraguan counterrevolutionary groups. He added that this attitude represents "a direct intervention in the domestic affairs of that country."

"We are against any type of intervention and are trying to create a trend of opinion that will be strong enough to create an alternative path, but the latest events do not make us see the situation with optimism," Storani added, referring to the results of the joint meeting in Panama of the foreign ministers of the Contadora Group and the Support Group with their Central American counterparts.

In comments made to the program "End of the Century," which is broadcast by Radio Nacional, Storani stated that if the five Central American countries refuse to sign the Contadora Group peace proposal within the next few days, and if the United States continues its support of the "Contras," there "will be an escalation because of the military aid."

Asked about the Panama meeting that ended on Monday, 7 April, Storani said: "We hoped for the continuation of the line adopted at the Punta del Este meeting where the initiative was taken for the creation of a civilian group to watch over the Costa Rica will receive from the U.S. Government."

Storani stated that "the Nicaraguan argument is to a certain extent reasonable when demanding the end of U.S. support for the 'Contras.'" He added, however, that "Nicaragua must also understand that it cannot keep foreign advisers in its territory permanently, because this is a source of concern for its neighbors."

In conclusion, Storani warned that "because the parties are unwilling and there is no will to take measures, we are not optimistic about what may happen in the future and we can foresee an escalation of confrontations" in Central America.

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CSO: 3348/520

MNR, PERU'S APRA SIGN POLITICAL AGREEMENT

PY130206 La Paz Red Panamericana in Spanish 1130 GMT 12 Apr 86

/Text/ Peruvian APRA /American Popular Revolutionary Alliance/ Deputy Alberto (Rais) has informed Radio Panamericana that two great Latin American parties have signed a political agreement.

The APRA, the current ruling party in Peru, and the MNR /Revolutionary Movement of the Left/, the current ruling party in Bolivia, have signed an agreement.

(Rais) believes that the agreement is important because it involves two important Latin American parties.

Following are the outstanding points of the lengthy document signed between the Peruvian APRA party and the Bolivian MNR.

Latin America has fallen into the foreign debt trap which makes it the most indebted region in the world. In order to repay the principal and the interest, Latin America must produce more than 150 percent of its current export revenues. We Latin Americans are simply unable to pay the foreign debt as long as our dependence and underdevelopment continue and increase.

Therefore, the efforts by the Peruvian Government of President Alan Garcia Perez, namely not allocating more than a prudent percentage of its export revenues to pay the debt, and the negotiations conducted by other countries for the sake of their national dignity, which seek to protect the standard of living of their peoples, are praiseworthy.

Something good has taken place despite the crisis, namely the progress achieved by democracy in the southern cone and in Central America. This progress is meeting the needs of liberty and respect for human rights of peoples, who endured serious hardships under harsh military dictatorships.

The democratization process must expand itself internally and externally throughout Latin America. In order to better defend ourselves in these critical times we must unite.

Taking into account these considerations, we, the representatives of the Bolivian MNR and the Peruvian APRA, paying homage to the great anniversary of the glorious days of the national Bolivian revolution of 9 April 1952 and as a sign of brotherly agreement, state that we will struggle to attain the following political goals:

1) To affirm peace, based on a respect for national self-determination, nonintervention, and solidarity among the nations.

2) To enhance international nonalignment in order to place the weight of the Third World peoples on the scale of historic decisions.

3) To support the peaceful solution of the Bolivian sea-outlet problem.

4) To repudiate colonialism, imperialism, hegemonies, fascism, racism, and dictatorships, demanding the restoration to Latin America of all the remaining colonial possessions.

5) To agree on the serious consequences caused by the foreign debt and to hail the decision of the Peruvian Government not to pay more than 10 percent of its export revenues, reasserting that one of our goals is to free ourselves from such a heavy burden.

6) To support the countries producing raw materials so that they upgrade and expand the organizations and the means of defending the supply and the prices of their raw materials, and promoting the abolition of the protectionism of the industrialized countries.

7) To continue efforts to implement a new international economic order.

8) To express loyalty to the alliance of oppressed classes in our countries in order to struggle against imperialistic domination and its local allies.

9) To support the revival and reactivation of the processes of Latin American regional and subregional integration, especially the Andean Pact.

10) To support all measures leading to respect for human rights throughout the world, especially in Peru and Bolivia, where a policy of compliance with internal and international legal agreements must be practiced.

11) To condemn drug trafficking and to encourage and support all the measures that can be adopted both internally and internationally to eradicate this scourge.

12) To open a true exchange of trade union, youth, and women's leaders to consolidate the political action of our parties.

We thus will foster increased relations between our political organizations which belong to two brother countries that are struggling for our people's justice, liberty, and freedom, as is appropriate for two republics linked by a common history and destiny. Our people's clamor for justice, liberty, and unity may always inspire us to achieve these goals because if we Latin Americans do not free ourselves on our own, no one will free us.

La Paz, 9 April 1986.

Signed on behalf of the MNR by Nuflo Chavez Ortiz, acting MNR leader, and by Jose Luis (Ars), labor affairs deputy chief and on behalf of the APRA by APRA delegates Alberto Ruiz Febres and Eudoro Terrones Negrete.

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CSO: 3348/520

LA PAZ DAILY OPPOSES RESUMPTION OF BOLIVIAN-CHILEAN RELATIONS

PY122040 La Paz EL DIARIO in Spanish 1 Apr 86 p 2

/Editorial: "Resumption of Relations With Chile"/

/Text/ The reaction of the media, of experts on the subject, of civilian circles and within the national congress, to the Bolivian Government's announcement that it has decided to change its attitude regarding contact with Chilean Government officials, has helped to make those responsible for our foreign policy moderate their first impulse to carry out that change of attitude, which it disclosed in a determined and radical manner.

Government officials have stated that, in order to begin the new phase of relations with Chile, it had been decided to put an end to an attitude which they termed as "nostalgic, useless" or merely "semantic" and, so far, only reflected a sort of "inferiority complex" in the handling of the landlocked situation. For this purpose the government announced that the Bolivian general consul in Santiago--who has family ties with the current Chilean foreign minister--would initiate contacts with the Chilean Government with the purpose, in the first place, of seeking a solution to matters of immediate interest such as those referring to customs, trade, and free traffic. The purpose of these negotiations would be to set the appropriate framework to be able to discuss other basic aspects of our international policy among which, of course, would be the subject of our landlocked situation. It is obvious, that when referring to this very important issue, it was tactful for the press not to say that the government would immediately resume diplomatic relations with Chile. However, the way in which this new phase, which our government refers to as a "fresh outlook," has been handled clearly suggests the possibility of resuming diplomatic relations in the near future. This is how the Chilean Government circles and media interpreted this new Bolivian attitude and revealed the comments made by the Chilean Foreign Ministry in editorials of the main Chilean newspapers.

The observations prompted by the Bolivian Government's announcement have proved that Bolivia just resume diplomatic relations with Chile until the following requirements are fulfilled: 1) an opportunity must present itself to begin negotiations with a Chilean regime that is not like the current one, which is against the Bolivian "right" to an outlet to the sea; 2) there must be efficiency and an updated foreign policy program that should have the approval of the great majority of the main Bolivian public circles; 3) There must be a certain capacity, for an updated program, which does not exist now and which can be implemented by a suitable and competent foreign service.

Therefore, these observations prompted our government to modify the scope of its radical announcements which caused justified unrest among Bolivian citizens because of their spectacular nature. And in order to relieve the concern, the government recently announced that it will not resume relations with Chile.

It is obvious that, according to the law, it is up to the executive power to conduct the foreign policy but it is also obvious that the concern that arose in our country over the recent announcements once again proves that such important decisions may not be taken without previously consulting the necessary institutions and experts on the subject.

/12228
CSO: 3348/520

SPIES WORKING FOR ARGENTINA SENTENCED BY CHILEAN COURT

PY182348 Paris AFP in Spanish 1804 GMT 17 Apr 86

/Text/ Santiago, 17 Apr (AFP)--The progovernment newspaper LA NACION of Santiago today reported that a Chilean navy photographer and his lover have been sentenced to 20- and 10-year prison terms, respectively, for having committed military spy actions for Argentina.

The sentences of Waldo Leon Munoz and Isabel Gonzalez Zamorano, which were issued by the Valparaiso Court Martial are subject to confirmation or rejection by the Supreme Court of Justice.

The couple committed the crimes in the southern region of Magallanes between 1981 and 1982, when Chile and Argentina were disputing border territories in the Beagle Channel. This serious conflict was finally solved with the mediation of Pope John Paul II.

Leon, 40, belonged to the Special Joint Intelligence Department /Direccion Especial de Intelligencia Conjunta/ located in the city of Punta Arenas, 2,500 km south of Santiago, near the Argentine border in Tierra del Fuego.

LA NACION reported that Leon needed money because of a hectic love life, so he was recruited by the Argentine Consulate in Punta Arenas.

Through either Isabel Gonzalez or other agents, Leon passed on defense, communications, and surveillance plans. He also provided other Chilean southern region signals, as well as local intelligence community documents, figures on troop deployment, sabotage objectives, pictures and videos of the activities of military units.

According to the newspaper report, Leon's stolen information was passed on to the intelligence services in the city of Rio Gallegos, Argentina.

Leon earned between $1,000 and $15,000 for each report he delivered to the Argentines. This enabled the couple to run up excessive expenditures that aroused the suspicion of Leon's chiefs.

LA NACION reported that the network of spies and traitors was dismantled on 16 September 1982, when Isabel Gonzalez was intercepted at a border pass and secret documents, stolen by her lover, were found inside the lining of her overcoat.

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CSO: 3348/520

INTER-AMERICAN AFFAIRS

BRIEFS

ALLEGED CHILEAN MILITARY BUILDUP--Mar del Plata, 10 Apr (EFE)--Argentine Navy Chief of Staff Vice Admiral Ramon Arosa has stated that he "knows nothing" about an alleged movement of Chilean troops in southern Argentina. The navy chief of staff was asked about this issue at the end of a ceremony held at the Mar del Plata submarine base, 408 km south of Buenos Aires. However, Admiral Arosa warned "those who make sorties into those waters, because we are forewarned to some extent." The report about troop movements was disclosed by Peronist Deputy Adam Pedrini who, together with his colleagues Torcuato Fino and Ramon Arrechea, has submitted a bill asking that Argentine Defense Minister German Lopez be questioned about alleged Chilean troop movements. The draft bill states that these "are not routine movements, but a swift military buildup in apparently peaceful areas." The high-ranking navy officer was also asked about the participation of the Argentine Navy in the "Unitas 86" manuevers with U.S. warships. He pointed out that "the decision is the responsibility of the executive branch," although he added that "naturally, we advise on the matter from our point of view." The Argentine Navy stopped participating in these joint manuevers in 1982, after the United States supported Great Britain in the South Pacific /as recieved/ conflict. /Text/ /Madrid EFE in Spanish 2052 GMT 10 Apr 86 PY/ 12228

PERUVIAN, URUGUAYAN PRESIDENTS CITED--Uruguayan and Peruvian Presidents Julio Maria Sanguinetti and Alan Garcia, respectively described their meeting in Montevideo on Friday as very positive. They reported on a trade agreement which benefits the two countries and said that it is a positive step toward limiting the dependency of Latin American countries. Sanguinetti said: We both believe that the foreign debt requires political handling, and it is not possible to halt the development of our countries in order to repay it. We also believe that the least possible amount of resources should be transferred outside the country. Later, while receiving the keys to the city of Montevideo, the Peruvian president stated that Latin America should act in unity and demand respect from industrialized countries, whose protectionism, he emphasized, is the cause of much of the continent's present difficulties. Alan Garcia reaffirmed his condemnation of all imperialist intervention in Central America, and reaffirmed his support for the Contadora Group peace efforts. /Text/ /Havana International Service in Spanish 2300 GMT 11 Apr 86 PA/ 12228

CSO: 3348/520

GOVERNMENT DISMISSES IDEA OF AMNESTY LAW

PY092101 Buenos Aire BUENOS AIRES HERALD in English 8 Apr 86 p 9

/Text/ (DYN)--The government has for now completely dismissed the possibility of decreeing a full-stop (punto final) amnesty law for lower-ranking officers who violated human rights during the military fight against subversion, official sources revealed recently.

Nor will the government push penal or military code reforms in order to incorporate the principle of "due obedience," the sources said, under which the nearly 1,700 cases of human rights abuses would be classified according to the clandestine detention center and tortures carried out.

Separate official spokesmen explained that afer deciding against a "full-stop law" the government ordered a study to speed up pending cases and set definite deadlines for their conclusion.

"A full-stop bill would not be upheld by the courts, especially not on moral grounds, and the country would be unable to accept an initiative of such a nature," contended a Radical deputy closely in touch with the armed forces high command.

Government representatives began openly discussing the possible implementation of an amnesty law in late 1984, sparking sharp reactions by human rights groups and opposition parties. In October last year speculation centered on the outcome of the trial against nine junta chiefs, erroneously expected to set the basis for such a law. Then in November Interior Minister Antonio Troccoli claimed the government would encourage an amnesty to close the book on the "dirty war."

The controversy was analyzed up until recently by different government ministries which finally arrived at the conclusion a "full-stop" bill could be a high political risk at present and trigger confrontations the government would prefer to avoid. Therefore it opted to put the dirty war behind it by pressing for a quick conclusion of related trials.

Last month in the light of press reports predicting an imminent amnesty law, the Association of Relatives of Missing Persons charged "we must try and punish all the guilty with prison terms to match the magnitude of the crimes committed" so that "our people are never again the victims of represssion."

With respect to due obedience the group stressed: "We reject the duty of obedience for those that murdered, raped, tortured and robbed in order to impose, in the name of the National Security Doctrine, a plan of dependence and hunger in the country."

/12228
CSO: 3300/78

ARGENTINA

AGENCIES WRAP UP FLOOD SITUATION IN CHACO

PY092117 Buenos Aires BUENOS AIRES HERALD in English 8 Apr 86 p 7

/Text/ (NA-DYN)--More than 50,000 people, about two-thirds of them children, have been evacuated from their homes and a million hectares are under water in Northern and Western Chaco. Governor Clorencio Tenev said the emergency, which he called the worst in Chaco's history, had overtaken his government's ability to help the flood victims and homeless, appealing for amy help in order to prevent some villages from seeking their own solutions at the expense of others.

Some 60 percent of the province is under water while the weather is forecast to continue unstable with more storms ahead following rainfall of more than 1,300 mm last week. About 200 meters fell yesterday in some parts of Chaco.

A 2-year-old child, Daniel Fernandez, was drowned when he slipped off the bed as parents were trying to get their furniture onto the roof of their house. Highways and roads have been cut. Crops have been damaged, especially cotton, and livestock lost.

Classes have been suspended for 48 hours in nine badly affected localities including some Resistencia neighborhoods where people are "up to their waists in water" according to Civil Defense Director Raul Martinez. More than 2 million hecgares are isolated by flood waters while the town of Presidencia Roque Saenz Pena (80,000 inhabitants), Villa Angela (60,000) and other low-lying areas are virtually cut off. The hospital in the former town is threatened.

Military personnel had to intervene on Sunday and yesterday to avoid a confrontation between some Roque Saenz Pena residents who wanted to blow up part of highway 95 in order to divert flood waters threatening the city and residents from Quitilipi--about 200 km north of Roque Saenz Pena--who would have suffered the consequences of the explosion.

About 40 schools have been reserved for the evacuees. Public health authorities report that their overall health is good and that three babies have been born in the emergency shelters.

Tenev flew over the affected areas during the weekend. Provincial authorities with military and civilian help are ferrying clothes into areas isolated by the flood waters. Radio broadcasts from the province call for aid in the form of food, clothes, tents, boats and helicopters.

Meanwhile in Formosa some 3,500 people were evacuated from their homes and around 5,200 have been seriously affected by heavy rainfalls. The Parana is rising and torrential rains continue to fall.

In Trenque Lauquen in Buenos Aires province the flood waters accumulated over the last 5 days have begun to drain off with the help of firemen and water pumps loaned by the provincial Obras Sanitarias water utility as well as good weather.

Nevertheless 200,000 hectares of fertile land have been badly affected, the sunflower harvest has been lost and flood waters from the Rio Quinto are approaching the town. Buenos Aires governor Alejandro Armendariz has promised to visit the town soon and yesterday said a canal was being built to divert Rio Quinto waters. Highway 33 into Trenque Lauquen is cut.

/12228
CSI: 3300/78

USSR TO SIGN PURCHASE CONTRACT FOR OPTICAL FIBER CABLE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Apr 86 p 34

[Text] An agreement should be signed soon between the Brazilian and Soviet governments for the sale of 1,500 kilometers of optical fiber cable, over a 4-year period; this will mark the return of TELEBRAS [Brazilian Telecommunications, Inc.] to the Soviet Union to participate in the Fourth International Communications Fair, on 27 May. The contract, which is in the process of negotiation, is the fruit of the First Individual Brazilian Exhibition, held in the USSR in October, when the latest advances were demonstrated in telecom--munications and computer technology.

The contract provides for the immediate sale--by ABC X-Tal, a Brazilian firm which manufactures optical fibers--of 56 kilometers of underwater fiber optic cable to the Soviet Government, with the first 400-kilometer lot to be delivered during the next 2 years. The agreement was negotiated by technicians of the East European Commission of the Foreign Affairs Ministry and also involves other socialist countries which took part in the industrial fair in 1985, all of which are members of COMECON [CEMA], the organism responsible for negotiations between the socialist bloc and members of the EEC and Western nations.

According to TELEBRAS technicians, the countries are most interested in the "holding company" which directs 29 Brazilian telecommunications firms, providing all the states with optical fibers; micrometric fibers as fine as a hair, they are strong enough to substitute for the copper wire, hundreds of times thicker, used in telephone cables, and provide greater reliability and better quality of transmission.

According to the TELEBRAS technicians involved with the International Communications Fair, Brazil's participation in the exposition which the Soviet Government is promoting could produce much better results than have been achieved to date. "This event carries greater commercial weight," one of them explained, recalling that the first exposition, last October, served to "open the door" to this great market which is emerging in Eastern Europe.

The telecommunications and computer sectors should grab a good part of the $2 billion which the Soviet Union tends to invest this year, as part of its 5-year plan (a kind of national development plan), in the automation of its offices, by which the Soviet Government aims to speed up the wheels of the Soviet bureaucracy. To this end, in addition to the computers which the Brazilian manufacturers will export, the Soviet Union also needs to acquire related equipment to set up the public data communications network.

6362
CSO: 3342/90

USSR TO FINANCE PLANT CONSTRUCTION IN CARAJAS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Apr 86 p 10

[Text] A Brazilian diplomat reported yesterday that the Soviet Union is scheduled to finance part of a pig iron factory and another managanese plant in Serra de Carajas. The details of the agreement will be better determined today, in Brasilia, during the First Meeting of the Brazil-USSR Intergovernmental Commission on Commerce, Economy, Science and Technology," with the participation of the Ministries of Foreign Affairs, Finance, Science and Technology, Mines and Energy, and Irrigation.

The two sides stress that the agreement between the two governments for the construction of the factories is still in the phase of "preliminary contacts." But the proposal calls for the Soviet Union to build an industry in Serra de Carajas for processing pig iron, with a processing capacity of 1.5 million tons per year, and another for manganese, with a capacity for 150,000 tons per year. The price of the projects and the percentage of the Soviet participation are still being discussed. The idea is that Brazil would pay for the financing of the construction with products, preferably manufactured ones.

The diversification of Brazil's system for exports to the USSR, as well as the means for increasing bilateral trade, will be discussed starting today, at Itamaraty. The delegations will be headed by Itamaraty's secretary-general, Ambassador Paulo Tarso Flexa de Lima, and by the Soviet vice minister of foreign trade, Aleksey Manzhulo. Between today and Thursday, Manzhulo will hold direct meetings with the Brazilian ministers of foreign affairs, finance, mines and energy, science and technology, and irrigation.

This joint commission has met during the past 20 years, every 2 years, alternately in Brasilia and Moscow. Brazil maintains similar commissions for periodic discussions of issues that are pending with seven other countries, including Argentina, China, and the United States.

On the agenda for this meeting, there are three basic questions to be discussed: how to increase bilateral trade; how to diversify the export-import system; and how to reduce the trade balance that is favorable to Brazil. With this backdrop, concrete business deals could be signed during those 3 days. Included on the Brazilian delegation are the heads of SIDERBRAS [Brazilian Iron and Steel, Inc] and of Vale do Rio Doce, as well as private businessmen.
2909
CSO: 3342/96

REPORTAGE ON TRAINING OF TRADE UNION MEMBERS IN CUBA

CUT Members Taking Course

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Apr 86 p 34

[Text] The Lazaro Pena School, an institution of the Cuban Communist regime for the training of foreign trade union leaders, has among its students three Brazilians affiliated with the Sole Central Organization of Workers [CUT]. The Brazilians, heads of the Maranhao civil construction unions, the Para rural workers unions, and the Franca footwear industry workers unions, began the course in February, and will return to Brazil after 1 May.

The course, run by the Cuban Government, is aimed at Third World trade unionists, having already had the participation of Brazilians associated with CUT and PCB [Brazilian Communist Party], at the beginning of last year. At this school, located on the outskirts of Havana, the trade unionists have a full schedule of classes, covering philosophy (Marxism), history of the labor movement, politics, and economics.

The CUT administration did not comment officially on the sending of Brazilians to Cuba, but sources from the organization noted that the coexistence of trade unionists from various countries at this school is "extremely useful for understanding that the problems of the working class are basically the same all over the world, and that the trade union movement must be connected internationally."

USI Leaders Score Indoctrination

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Apr 86 p 29

[Text] A turbulent atmosphere was created among the board of directors of the Independent Trade Union (USI) by the fact that Brazilians are attending the Lazaro Pena School, an institution of the Cuban Communist regime for training foreign trade union leaders. According to an article published yesterday by ESTADO, the three Brazilians are heads of the workers unions in the Maranhao civil construction industries, the Para rural workers unions, and the Franca footwear industries' workers unions. The course started on 1 February, and will end after 1 May; it is run by the Cuban Government for Third World trade unionists. Brazilians affiliated with CUT and PCB have taken part in it; the classes, on a full schedule, are in Marxism, history of the labor movement, politics, and economics.

"But to study trade unionism in Cuba itself? Since when have they had trade unionism on Fidel Castro's island? This is the height of brazenness; those 'trade unionists' in quotes who went about abducting fellow workers during the General Motors strike last year were certainly excellent students of those courses given by Fidel Castro," reacted Antonio Pereira Magaldi, head of USI and of the Federation of Commercial Employees of the state of Sao Paulo.

Magaldi added: "We all know that the union's role in the countries with communist regimes is nil, because it was Lenin who said that the unions must be merely the 'conveyor belt' for the Communist Party." He concluded by saying: "Persons affiliated with CUT and PCB, that is, with CGT [Union Headquarters], have already been there in Cuba, learning the communist version of trade unionism. That is why we in USI have always claimed that there is no difference between CUT and CGT. It is merely a matter of being more Red or less Red, that's all."

PT Said Practicing Totalitarianism

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Apr 86 p 3

[Text] One can sympathize with the Workers Party [PT] or not; one can agree with the notions expressed by its leaders or not; one can approve of the political action methods pursued by its membership or not; and one can understand the reasons for its electorate's adherence or not. However, what one cannot do is deny the extreme authenticity and total consistency of that party, which mirrors its own ideology with crystal clarity in its actions.

Since the outset of its foundation, PT impressed everyone at its first rallies (such as the one which took place in the Sao Paulo district of Santo Amaro) with its great "security apparat" of its own, which grew far more on the occasion of the elections for the state government in 1982. In fact, at a rally held in the Pacaembu district, PT's internal "security" seemed like a paramilitary force; and, on election day, the uproar organized by PT's "shock troops," in which there was no dearth of youths in berets with red stars, frightened voters on mass transport vehicles.

That tendency (or characteristic) became increasingly developed with the passage of time. The MM (or "Metal Workers Militias") came into existence, aimed at carrying out, with the best technical equipment and personnel training, factory invasions and violent pressure (not merely moral or intimidating, but physical as well) upon workers who wanted to work in the midst of strike movements, etc. As is well known, an obvious result of that PT paramilitary "improvement" has been the "little pen," the private lockup to which co-workers were subjected by members of the Workers Party in Sao Jose dos Campos. They experienced hunger, thirst, and humiliation of all kinds, resembling only the type commonly applied to "dissidents" under totalitarian regimes which, as we are well aware, are the very "models" of a politico-economic system imitated by PT, as proven by the concentrated effort of its leaders to constantly take "post-graduate" courses in totalitarian practice in Fidel's Cuba.

If there should still be any doubt remaining to anyone regarding this perfect consistency between the "praxis" of the PT members and their program ideology (both totalitarian), the recent incidents in Fortaleza, the only capital in the country where the Workers Party is in power, serve to attest fully to what PT is and always has been. Students who organized a protest march against Mayor Maria Luiza Fontenelle, in an attempt to prevent the abolishment of the granting of half fares for urban transportation (a benefit gained over 30 years ago by the students of Fortaleza), were brutally beaten by PT militia members. One of them, the vice president of the Students Metropolitan Union, suffered abdominal injuries and his condition greatly concerned the physicians. Another sustained an injury to his right eye and wounds on his back and arms. Two more had better luck, having been released sooner, following their hospitalization.

As is evident, on every new trip that Lula and his followers make to the main establishment (that is, Fidel's Cuba), the methods of repression become more improved here in the branch office. The lessons taught there must be very clearcut and didactically efficient, to the point of not allowing for any ambiguous interpretations regarding the methods of political "persuasion" which may be summarized in the brief slogan, "If one does not agree, the blow falls!"

This is why we repeat: the Workers Party may be accused of anything except the lack of authenticity or consistency. To arrive at totalitarianism, it is necessary to practice totalitarian methods of political militancy right now. It is with the MM's training today that the KGB's of tomorrow will arrive. And with the progress of the "little pens" now, the "gulags" of tomorrow will be reached. In this respect, it cannot be claimed that PT is fooling around on the job.

2909
CSO: 3342/96

SARNEY'S PLANS FOR REMAINDER OF TERM DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Apr 86 p 5

[Article by Carlos Chagas: "Sarney Has Plans Defined up to 1989"]

[Text] Sarney has his plans defined up to 1989: this year, to consolidate the economic-financial system and to see to the free realization of the general elections; in 1987, to accord full prestige to the National Constituent Assembly and to intensively pursue the development of the social reforms, expanding the government programs and projects; in 1988, to see all this begin to bear fruit, to put it in order and to maintain the drive for reforms and for economic development, within the master lines of the institutions which will by then have been defined in the new constitution.

After that, in other words, from 1989 on, President Jose Sarney has no plans other than to devote himself to literature, after he has--once and for all--left public life. The chief of state is a third category reservist; he did not serve in the military, much less on the military general staffs. So he is not accustomed to writing down or drawing up detailed plans. He does not prepare charts or work with figures. All he needs is a pencil and a piece of paper to jot down, in less than a minute, his overall strategy. He did so this week, for a privileged interviewer.

As a politician, Sarney has a notion that things are not divided up or measured with mathematical precision. The world is not divided between cowboys and bandits and processes cannot be seen in terms of absolute black and white. Everything is a mixture, contingencies come into play and, quite often, yesterday's plans must be revised tomorrow. Generally speaking, however, his agenda for action follows the scheme noted above.

As soon as he took office, the president began to prepare himself and to prepare the country for the new economic policy--not that the decision was made on 15 March 1985. There were alternatives. If it were possible to curb inflation without special measures, through the resumption of development, the containment of public expenditures and a national gentlemen's agreement, well and good. He persisted in this strategy until last February, but when the pendulum did not change direction but, on the contrary, gathered momentum and swung more wildly on the side of inflation, Sarney did not hesitate. He set the date, hour and objective. And his package worked, or at least it is showing results. The public response was even surprising and the government is now convinced of the need to go forward with the program. It will require vigilance, firmness and persistent. The goal is to finish the year with very low inflation rates, without having caused a recession.

At the administrative level, various plans are being developed, from irrigation to the rehabilitation of the railway system, from maintaining the export surplus to transferring speculative capital to productive investments. The social goals, from the distribution of food to the needy to agrarian reform, will proceed at the pace possible.

So it is not a matter of shutting the door to everything but the new economic-financial policy of rooting out inflation, even though the major efforts and attention of the public power will be concentrated there.

At the political level, the government would like to see freer and cleaner elections than in recent decades. Justice Minister Paulo Brossard has been instructed to draft a bill limiting the abuses of economic power and state power, and the Congress, in its sovereignty, will attend to fine-tuning the legislation. The reforms adopted in the course of last year opened broad horizons, permitting the formation of new parties, guaranteeing illiterates the right to vote and eliminating a long string of arbitrary rules. Clearly, there are other political problems and they are being confronted, from the crisis in the Democratic Alliance to the relationship between the federal executive and the state governors. A short time ago, the reform of the cabinet gave Sarney some sleepless nights and more sleep will be lost over a certain segment of the opposition, which is stubbornly rejecting positions and directives which the entire country has accepted.

President Sarney imagines that next year this new economic-financial policy will be bearing more fruit, permitting the economy to function fully without fear of the return of the spectre of inflation. It will be the moment for ew steps forward in the social programs, aimed at better income distribution, and also, because of the action developed this year in irrigation and transportation, for an intensive integration of the less favored regions in the developed whole. Once the machinery is repaired and set in operation, it will support greater acceleration.

Meanwhile, the National Constituent Assembly will be meeting to clean up the nation's institutions and to set the direction for the future. It is Sarney's intention to recognize the full authority of the assembly delegates to promote as many changes as they wish. Whether the system will be parliamentarist or presidentialist, whether the economic order will mantain principles harmonious with private enterprise or will move toward greater nationalization, whether the concept of property will be changed, whether the policy for housing, education and health will be different: all this will be the responsibility of the National Constituent Assembly, even to the determination of the presidential mandate, although Sarney is not at all inclined to accept the idea of his reelection, even if this is approved. He is sticking with the decision announced by Tancredo Neves, that the present term should be for 4 years, but he is not anticipating or setting any conditions.

If everything goes well, despite the inevitable setbacks and obstacles facing him, in 1988, with a new constitution and the country totally democratized, the president could see noticeable results in political-institutional, economic and social areas. Without resting on his laurels, he hopes to find that the New Republic has worked, that the civilian government has brought peace to the nation and set it once more on the path of development.

It is clear that this phase, which the president foresees as lasting only until 1988, could be extended and stretched out for 12 or 24 months longer, if the National Constituent Assembly sets the presidential term at 5 years again or retains the 6-year term provided in the present constitution. As he has stressed, however,it is not up to Sarney to intervene in any way in the decision.

6362
CSO: 3342/90

DIFFICULTIES IN PMDB-PFL AGREEING ON ELECTIONS DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Apr 86 p 3

[Text] The status of the succession is still complicated in Sao Paulo, Minas, Rio de Janeiro, Rio Grande do Sul, and Pernambuco; and, with the exception of Rio, negotiations aimed at forming the Democratic Alliance in each of them, combining PMDB [Brazilian Democratic Movement Party] and PFL [Liberal Front Party], to back common candidates on a majority ticket (for governor and vice-governor, and candidates for the Senate), are no easy matter.

In Minas, PFL is still awaiting a politico-judicial decision from Governor Helio Garcia. If the legal permission for Garcia to be a candidate should be forthcoming within a reasonable period of time (by the beginning of May), PFL would proceed with his candidacy. Otherwise, the governor and Minister Aureliano Chaves would contend among the rank and file to determine the nominee accepted by both groups.

In the opinion of PFL, PMDB's "natural" candidate, who would automatically receive the party's support, would be Senator Itamar Franco. Nevertheless, among the PMDB legislative group (in Congress and in the Legislative Assembly), there are reactions to that nomination. Just yesterday, in Brasilia, Deputy Wilson Vaz, from the Minas PMDB, commented: "That agreement will not occur; PFL is only willing to make the agreement with Itamar."

However, the senator explained yesterday that the Minas PFL would not demand its candidacy alone for the agreement. He stressed: "Minister Aureliano Chaves claimed that PFL would accept the nominee indicated by PMDB." Itamar Franco declined to respond, appearing annoyed and worried at the question as to whether there would be another agreement whereby he would cease to be a candidate for the Liberdade Palace. According to Deputy Israel Pinheiro Filho (PFL-MG [Minas Gerais]), the senator would be selected for a ministry and would emerge from the contest.

In addition to Itamar Franco, also under consideration in PMDB are the leader, Pimenta da Veiga; Federal Deputies Leopoldo Bessone, Carlos Cotta, and Ronan Tito; the mayor of Contagem, Newton Cardoso; and the former mayor of Belo Horizonte, Rui Lage.

In Rio Grande do Sul, PMDB also has its "natural" candidate: Senator Pedro Simon, defeated in 1982 by Jair Soares. Simon's announced meeting with Governor Leonel Brizola, of PDT [Democratic Workers Party], for a possible agreement, if it should take place, would occur with nearly a month's postponement. Until May, Pedro Simon will be serving temporarily as the national president of PMDB (replacing Ulysses Guimaraes). In that capacity, he would not attempt to talk with Brizola about the Rio Grande do Sul succession, with his nomination involved.

In PDT, the candidates for candidate are Federal Deputies Aldo Pinto and Matheus Schmidt; former Deputy Getulio Dias; former Mayor Sereno Chaise; and, possibly, the present mayor of Porto Alegre, Alceu Collares.

Getulio Dias will formally suggest to the PDT leadership in Rio Grande do Sul a consultation of the electorate to determine preferences. It would be held in Grande Porto Alegre and in 20 other municipalities, selected in a lottery.

PMDB congressmen have held informal talks with PDT and PDS [Social Democratic Party]. There are restrictions imposed by sectors of PMDB on an agrement with the former PDS leader, Nelson Marchezan. PDT would accept an agreement with Marchezan, but for his candidacy for the Senate. There have been no comments on a PMDB-PFL alliance in Rio Grande do Sul.

The Democratic Alliance may be organized in Rio de Janeiro, combining PMDB and PFL, to oppose the Brizolist candidates, with the aid of other leftist groups. PMDB's "natural" candidate in the state of Rio de Janeiro is Senator Nelson Carneiro. PFL would indicate the candidate for vice president and one of the candidates for the Senate.

There is no possibility of an agreement between PMDB and PFL in Pernambuco. PMDB's "natural" candidate in Pernambuco, Miguel Arraes, is "pressing for" PDS backing. To avoid demonstrative criticism of an alliance with former Maluf backers, the remnants of PDS would shift to PTB [Brazilian Labor Party]. Deputy Antonio Farias, third national vice president of PDS, would be one of PTB's candidates for the Senate. PMDB would reserve the other slot for Deputy Fernando Lyra, who would indicate the candidate for Arraes' vice governor.

The PFL of Minister Marco Maciel and Governor Roberto Magalhaes, in addition to the impossibility of agreement with PMDB, still runs the risk of not having PTB's backing.

PMDB would hardly unite with PFL in Sao Paulo. That possibility had even been admitted a month ago. PMDB's own candidate, Orestes Quercia, appeared to be receptive, as did Minister Marco Maciel as well. With the emergence of the businessmen's candidate, Antonio Ermirio de Moraes, PFL distanced itself from PMDB and from Quercia. The unknown quantity is Janio Quadros' position. PTB and PFL, even asserting that the mayor would back Antonio Ermirio, prefer seeing before believing, waiting for Janio's return from abroad.
2909
CSO: 3342/96

BRAZIL

BRIEFS

GOVERNMENT INTERVENES IN FREE TRADE ZONE--The Federal Government today decreed an intervention in the Manaus free trade zone, and appointed Regis Guimaraes, Interior Ministry assistant secretary general, interventor. The intervention was decreed after the police found that imports worth $117 million had been embezzled from the Superintendency of the Manaus Free Trade Zone (SUFRAMA), and that several fictitious enterprises, Foreign Trade Department [CACEX] officials, and Manaus Federal Revenue Office officials were involved. After meeting with President Jose Sarney, Interior Minister Ronaldo Costa Couto announced the intervention, and asserted that all those responsible for irregular administration will be punished. One of the reasons for the intervention is to ensure a steady and effective operation of the SUFRAMA. Today, Minister Dilson Funaro also ordered the audit of the Manaus Federal Revenue Office and the CACEX. Police are investigating what really happened and when this embezzlement began. The joint work of police and auditors will get to the bottom of this affair and those individuals found guilty will be punished. [Text] [Brasilia Domestic Service in Portuguese 2200 GMT 2 Apr 86 PY] /12712

ZERO-INFLATION RATE PLAN DISCUSSED--Speaking to a group of four students from the fourth and fifth high-school grades of the Brasilia Classical school who visited him, Finance Minister Dilson Funaro stated that the Brazilian Government wants longer terms and lower interest rates to pay the foreign debt. Funaro told the students, who are leaving on Sunday, 6 April, for the United States, that he intends to reschedule the payment of the foreign debt in approximately 15 years, under conditions that will not harm the people or the national development plan. Funaro also explained that the plan for a zero-inflation rate does not include a salary freeze. The plan must be negotiated between employers and employees, he said. He added that the price freeze is a way to eradicate inflation. Regarding the possibility that this plan could cause greater unemployment, he said: There is no economic recession in the country, and more than 1,500,000 new job opportunities have been created since the beginning of the Sarney government. [Excerpts] [Brasilia Domestic Service in Portuguese 2200 GMT 2 Apr 86 PY] /12712

COMPUTERIZED COMBAT SIMULATOR--Army Minister General Leonidas Pires Goncalves, Navy Minister Admiral Henrique Saboia, Aeronautics Minister Brigadier Octavio Mareira Lima, EMFA [Armed Forces Joint Staff] Chief Admiral Jose Maria do Amaral Oliveira, SNI [National Intelligence Service] Chief General Ivan de Souza Mendes, and Military Cabinet Chief General Rubens Bayma Danys yesterday gathered at the EMFA office building to observe the operation of a new piece of equipment: A totally computerized air-land-sea combat simulator. This equipment has been bought for $400,000. [Summary] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Mar 86 p 2] /12712

COFFEE EXPORTERS TO VISIT COLOMBIA--Carlos Calmon, president of the Rio de Janeiro Coffee Trade Center, will lead a delegation of coffee exporters to Colombia next week, seeking closer coordination with the authorities and businessmen of that country, which is the world's second largest coffee producer and exporter (Brazil is first). "This year, Colombia is the vital nerve of the international coffee market, both because of its situation with regard to stocks and its political influence among the Central American exporting countries," Carlos Calmon declared, explaining the trip to Bogota by the delegation of private enterpreneurs. According to Calmon, the drought which has severely threatened the next Brazilian coffee harvest, which should be between 14 and 15 million sacks, as against 30 million sacks last year, has brought Colombia into prominence this year. "Suffice it to say," the businessman noted, "that this fact led the IBC [Brazilian Coffee Institute] to set an export goal of only 14.4 million sacks this year, when the initial estimate was for more than 17 million sacks. With the stocks it has accumulated in recent years, Colombia is prepared to sell 2 million more sacks, partly filling the vacuum left by Brazil in the world market." Calmon added: "So it is important for us to be better informed about the statistical data, the crop conditions and market goals of that country." The following businessmen will travel from Rio de Janeiro to Colombia: Carlos Calmon (Brascafe), Guilherme Braga (Citoma), Orlando Correa Neto (Marcelino Martins), Carlos Alberto de Andrade Pinto (Ferreira Pinto) and Domenico Mauro (Bozzo Brasil, S/A). Mario Guerra (Rio Doce) and Gersino Cuser (Unicafe) will go from Vitoria. Although their names have not yet been cofirmed, several exporters from Santos will also join the delegation. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Apr 86 p 35] 6362

POLISH DEBT TALKS--An economic mission from the Polish Government is meeting today with Carlos Eduardo de Freitas, foreign area director of the Central Bank, to renegotiate the Polish debt with Brazil--a debt which was contracted in the operations that have become known as the "Polish scandal." Yesterday, the Poles met with Counselor Stelio Amarante, chief of the Second European Department of Itamaraty, to examine the possibilities for the expansion of bilateral trade. Poland owes Brazil $1,728 billion. In January 1985, this debt was renegotiated, within a general accord with the Club of Paris, providing for a new repayment period of 11 years, with a 5-year grace period. The second phase still remained, however, in which Poland was to negotiate with each of the creditor governments regarding the amount of the debt--in case there were some difference of opinion--and the interest rates and "spreads" (risk rates). In November 1985, a Brazilian delegation went to Warsaw to negotiate the first details. Arguing that the country was a capital importer, the delegation demanded that Poland pay the "acquisition cost" (market interest rate), plus the "cost of operation" (the "spreads"). It is the details of these demands which the Poles will negotiate today at the Central Bank. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Mar 86 p 4] 6362

TRADE TALKS IN EAST EUROPE--Expanded trade with the East European countries was the primary objective of the visit by Roberto Fendt Jr, director of CACEX [Foreign Trade Department of the Bank of Brazil] to officials of the GDR and Hungary. Fendt arrived in the GDR last week. After visiting the Leipzig International Fair, he met with Klaus Haertic, general director of the Foreign Trade Ministry and with Wilhelm Bastian, vice minister of foreign trade, as well as directors of firms which export potassium chloride and port cranes. One of the principal matters discussed was the transfer of the German technology for construction of these cranes in Brazil. Yesterday, Fendt met with Tibor Melega, Hungarian vice minister of foreign trade, and took part in a round table with representatives of the Hungarian Chamber of Commerce. Today he will meet with directors of the Hungarian Chamber of Foreign Trade, with whom he plans to discuss the expansion of "clearing" operations. [Text] [Rio de Janeiro O GLOBO in Portuguese 25 Mar 86 p 19] 6362

CSO: 3342/90

CHILE

'ERRATIC' U.S. POLICY TOWARD NATION CRITICIZED

PY081600 Santiago Domestic Service in Spanish 1100 GMT 8 Apr 86

/International Commentary by Prof Carlos Valesco/

/Text/ Good morning. In international politics, like in everyday life, there are small details that say more than a thousand words. One of them was made public when the U.S. Department of State issued a warning to U.S. citizens that there are 44 places that are considered dangerous for tourist travel. Among them, in addition to Afghanistan, Libya, Iran, Lebanon, Nicaragua and Uganda, are Chile and Peru. This means that the United States grants the same status to those nations that hate it as to those that offer true friendship.

Anyone who knows Chile or Peru knows that in general terms, one can live safely in these two countries and that the violence that is presently affecting them is largely caused by Marxist terrorism, which furthermore is also affecting the entire world.

But it is also clear that Santiago is a city that is less dangerous than Harlem, /name indistinct/, and certain areas of the Bronx, in New York; than the /name indistinct/ in Louisiana; than the Black or Latin neighborhoods in Miami; than the discotheques of West Berlin; than Paris restaurants or (?Berlin) streets. All of these great cities are known for their violence, violence that is infinitely greater than that (?that can be found) in Santiago or Lima.

The international policy of a given government is only a reflection of its domestic situation, which in turn reflects the idiosyncracies of the respective country. The United States is a young nation with only 200 years of history. But in this short time it has become a strong young man with a big heart who is sure of himself, but who lacks experience. However, it is this self-awareness of his power that makes him arrogant. This is why when he deals with weaker young men, like the Latin American nations, these lack the necessary patience to /words indistinct/. This is the cause of the old hatred that the United States has sown in this region and for its well-known failures like the Alliance for Progress, which died without leaving any traces of its existence.

But when the United States makes contact with more-experienced countries, like the Europeans, the experience of the latter allows them to moderate its impetus and thus help it achieve lofty goals, such as the Marshall Plan at the end of World War II, or historic failures, like that of Yalta where it lost half the world after winning the war.

Moreover, excessive self-esteem at times compels the United States to be as inconsistent as the young. This is why it makes friends with which it coexists but later abandons them without looking over its shoulder or without understanding the damage it is inflicting upon itself.

The shah of Iran; Somoza in Nicarauga; Duvalier in Haiti; Marcos in the Philippines; Stroessner in Paraguay; and many others know of its whims.

It also has the stubbornness of the inexperienced. This prompts the United States to strive to impose its own values on the rest of the world /passage indistinct/ the world in keeping with the prevailing liberal and (?unprotected) model, did not lead to the Vietnam disaster? Threatens South Africa and through it the entire African continent /words indistinct/.

These facts help us understand why certain U.S. State Department positions and certain U.S. international policies are erratic and inconsistent.

Therefore, we should not be annoyed over the fact that Chile has been placed at the same level as Uganda. It is merely a new mistake.

Thank you very much, and good morning.

/12228
CSO: 3348/519

JOURNALISTS DEMAND FREEDOM OF EXPRESSION

PY170143 Santiago Radio Chilena in Spanish 1700 GMT 15 Apr 86

/Excerpts/ The repeal of all measures implemented with the purpose of hindering, restricting or curtailing the full exercise of the freedom of expression is one of the main points included in a statement of demands that was issued today by the Chilean Journalists Association. The president of the Journalist Association, Ignacio Gonzalez Camus, read the text of their demands which were drafted and approved on 31 March during a national conference of journalists leaders.

Part of this statement which was read by Gonzalez Camus states:

/Begin Gonzalez Camus Recording/ We seek the establishment of minimum requirements to allow for the full exercise of the freedom of expression and of the press. To achieve these objectives we seek the following: The repeal of all measures implemented with the purpose of hindering, restricting or curtailing the full exercise of the freedom of expression, particularly Temporary Art No 24 which impedes the establishment, circulation and publication of new mass media organizations. The end of exile and consequently full right to freely enter and leave the country. The safeguarding of free access to information sources and the right to exercise the profession without censorship or self-censorship; the guarantee of the physical and moral integrity of Chilean journalists and of foreign correspondents while in the exercise of their duties.

The Chilean journalists also demand the return to their rightful owners of all those mass media organizations that were expropriated as of 11 September 1973; to restore a television system that will guarantee pluralism and objective reporting; and the solution of all cases involving the assassination and disappearances of journalists for political reasons.

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CSO: 3348/519

CHILE

MIR'S SECRETARY GENERAL ON NEED FOR ARMED RESISTANCE

Buenos Aires EL PERIODISTA in Spanish 14-20 Mar 86 p 36

[Interview with MIR Secretary General Andres Pascal Allende by Francisco Martorell, in Havana; date not specified]

[Text] [Question] How do you assess Chile's political situation 12 years after the military coup?

[Answer] I believe that the Chilean situation revolves around two major issues. One of them is what I would term the fundamental contradiction that our country is experiencing in the confrontation between the dictatorship and the people. The other aspect results from the contradiction that the Chilean opposition is experiencing with regard to the course of action that we are using to end the regime: whether to negotiate with the dictatorship, or to undertake an intransigently democratic path of struggle with a break-off. The issue of violence (although it is a good thing for it to be discussed) has been stirred up and used politically by the dictatorship and by certain opposition sectors in a wrongful fashion. It makes our hair stand on end when representatives of the opposition cite their rejection of violence "whatever be its source," with the intention of equating the dictatorship's violence with the people's violence. Our movement also practices violence, but a legitimate violence, because we think that a people who cannot express themselves freely have every right to oppose that situation, using all types of struggle.

[Question] Could the violence be indiscriminate, or must it be contained within an ethical context?

[Answer] Morality and ethics must be considered in the use of violence. On this point, we can say that we have never tortured, we have no jails nor prisoners, nor do we take action against innocent persons. We also practice violence against certain material goods; we blow up towers and railroads, but we do not hurt human lives.

[Question] How do the Chilean people receive the military action that you are carrying out?

[Answer] Although a little confusion is sometimes created by the pressure from the news media, which distort our image, we have managed to see to it that, although an action is not understood in its entirety, our operations are understood and well received among vast sectors of the people.

[Question] Nevertheless, some sectors of the Chilean opposition think that the use of violence prevents the unity that would lead to Pinochet's downfall.

[Answer] I don't think that the development of violence would preclude unity. That is an absolute distortion of the reality. What prevents a joint action by the opposition is the fact that there are sectors in it who believe that it is possible to win political democracy in Chile through negotiatons with the imperialists and the Armed Forces, promoting a policy of reconciliation with those sectors. In contrast to that orientation, there is another opposition (not just MIR [Movement of the Revolutionary Left]) which thinks that the military dictatorship has the intention of perpetuating itself; that Pinochet will not leave peacefully unless we bring him down. Therefore, the only realistic and effective course of action is one of an offensive orientation with a break-off. This is also the mood of the Democratic Intransigent Movement (ID), the Republican Right, and sectors of the Radical Party, as well as the Popular Democratic Movement (MDP). In brief, we cannot accept the claim that unity has not been achieved among the opposition because there are sectors such as MIR or the Manuel Rodriguez Patriotic Front engaged in armed action. Those who cite that are doing so because they need a certificate of good conduct from the standpoint of the imperialists and the regime. We believe that there is just one democracy. Restricted democracies are not democracies. Regimes which attempt to exclude certain popular forces, which attempt to keep the people alienated, which do not call for the punishment of those guilty of crimes against the people and which do not want the Armed Forces to be democratized are not democracies. We want a democracy that will throw the dictatorship's Constitution into the garbage can and call for a Constituent Assembly so that our people may dictate a legality for themselves in a sovereign manner. We want a democracy that will carry out major changes; not revolutionary ones, nor socialism, because that is not the goal at present. The main objective is the overthrow of the dictatorship.

[Question] Would you be willing to give up armed action for a policy of social mobilization and completely peaceful struggle?

[Answer] I think that violence is always an extreme option in the face of an extreme situation; and if we could prevent the practice of violence to attain the goals, we would do so gladly. But when we say that armed resistance is necessary against the dictatorship, it should be obvious that we do not believe that the overthrow of Pinochet and the Armed Forces backing him can be achieved by a confrontation between two military apparats. If Pinochet insists upon perpetuating himself, he will lead the country into a socially explosive situation. Hence, the progress of the armed struggle will depend more on the dictatorship than on us.

[Question] How do you view the inclusion of the military in a future democracy?

[Answer] At the present time, a democratization of the Armed Forces entails a new beginning. Up until the period of Popular Unity, it was possible to intensify the institution's democratic nature, because there were men such as Gen Carlos Prats and a large number of democratic officers and troops. With the dictatorship, the composition of the cadres has changed, and I would say that they are now professional Armed Forces of repression against the people. Therefore, the system and the method of organization must be changed, and the military must be put in their proper place: the defense of the people's sovereignty.

[Question] What is your opinion of the accords and the attempts at rapprochement being made by the Catholic Church in your country?

[Answer] Cardinal Fresno may have the best intentions, but I think that this initiative is doomed to failure, because when there is an appeal for national reconciliation and the representative sectors of the people are excluded, there can be no possible accord or reconciliation.

[Question] What differences do you find between a future democratic outcome in Chile and those that have occurred in other countries on the continent?

[Answer] When military dictatorships are established, they are aimed at inflicting a defeat upon the people, disarming them organically and politically. The problem is that the defeats which other peoples and their popular movements have suffered were even more profound than the one borne by the Chilean people. Whereas, in those countries, there has been a division among the political forces and a weakness that precludes their being able to come up with an alternative for the society's democratic transformation, in the case of Chile the situation is different. Despite the existing differences, we now have a popular movement with far more influence than in the other countries. This situation is what has made it possible in Chile not only for the objective conditions for a crisis to be put forth, but also for the popular movement to be able to offer a popular solution to the structural crisis being experienced by our country; a solution that is not in the service of the governing minority, but, on the contrary, in the interest of the great national majorities.

2909
CSO: 3348/496

SOCIALIST LEADER ASSESSES PLANS TO DIVIDE OPPOSITION

PY190023 Santiago Radio Chilena in Spanish 1700 GMT 18 Apr 86

/Text/ Socialist leader Ricardo Lagos has said that the government has a definite plan to divide the opposition and prevent social mobilization. The leader of the Socialist Party Briones faction said that government officials, as well people who are withdrawing their support from the government and are now calling themselves independent, are taking part in this plan.

Asked about the increasing presence of military officers to control demonstrations by the opposition, Lagos answered:

/Begin Lagos recording/ As long as the current situation prevails the armed forces will become increasingly involved with those who grant political support to the regime. This not only includes recent statements by officers in the political sphere openly criticizing the opposition but also, and this is even worse, the increasing intervention by the armed forces in the growing demonstrations of unrest that have been taking place this year. /end recording/

Asked about the political and social consequences which armed forces intervention in political sphere could have, Lagos warned:

/Begin Lagos recording/ This military force, which has been trained for war, and not for maintaining public order, might lead us to unpredictable situations that some may regard as the beginning of a civil war. To use the armed forces for that type of activities, on a permanent and daily basis, means involving the armed forces in the Chilean political conflict. /end recording/

Lagos then referred to the role allegedly being played by rightist sectors, which recently withdrew their support for the government and which question social and political agreements with leftist sectors.

/Begin Lagos recording/ I think it is second phase of a government plan. The first part of the plan is to cause fear and prevent demonstrations by resorting to using the armed forces. The number of charges against political parties regarding the lack of a definite stance on what the government calls the communist problem, I would say is the second part of this plan, which consists of presuming this mobilization is the result of a broad political agreement between several groups that seek a national stoppage. The truth is that the government wants to prevent the opposition forces of a democractic nature from carrying out a joint mobilization. /end recording/

Lagos insisted that all these alleged charges only seek to distract the country from its true problems, that is, the economic crisis and the desire to return to democracy now.

/Begin Lagos recording/ Basically the government, including some opposition sectors, is trying to find some mechanism that will give the appearance of a change when everything in truth remains unchanged. For this the participation of some centrist sectors, especially the Christian Democratic Party is necessary. /end recording/

Lagos also pointed out that important progress is being made on the social agreement within the true opposition to General Pinochet's regime.

/12228
CSO: 3348/519

POLITICAL GROUPS BACK CREATION OF CIVIC ASSEMBLY

Popular Democratic Movement

PY190137 Santiago Radio Chilena in Spanish 1700 GMT 18 Apr 86

[Text] The main leaders of the Popular Democratic Movement [MDP] have voiced their full support for the creation of a civic assembly because they believe such an assembly would represent a basic step toward the social agreement of all sectors opposed to General Pinochet's regime.

The leaders of the MDP insisted that the task of the moment is to struggle for democracy and that in this task there can be no ideological differences.

MDP president, German Correa, read a declaration in which the leaders reiterate their full support for the civic assembly.

[Begin Correa recording] It represents a new landmark in the effort for unity and coexistence that the people have been seeking through their democratic and justifiable struggle. It must become a basic tool to turn 1986 into a decisive year in the cause of democracy.

This initiative also requires the unity of the social grassroots that are struggling, and on which the MDP has insisted since 1983.

The MDP grants its full support to this civic assembly which, in the first place, should result in a permanent social coordination that may have the necessary social and ideological pluralism that will fully guarantee its legitimacy and representativity. [end recording]

He insisted that the civic assembly should uphold Chile's demands and safeguard the success of a prolonged national stoppage with the purpose of demanding democracy now with the establishment of a provisional democratic government.

Jose Sanfuentes, secretary general of the MDP, reported that rightist sectors seek to prevent unity in the struggle for democracy.

[Begin Sanfuentes recording] Definitely, those sectors that are aware that democracy has already taken a successful path in Chile, are adopting an apparently opposite stance and are trying to prevent social mobilization in Chile in order to hinder the necessary encounters and agreements among the true Chilean opposition sectors. The reactionary sectors of the National Unity Movement and other sectors are engaged in these activities. [end recording]

Sanfuentes stated that the MDP goes everywhere and talks with all those who favor returning to democracy and that this includes the rightist sectors that truly support this objective.

Christian Democracy

PY220249 Santiago Radio Chilena in Spanish 2300 GMT 21 Apr 86

/Text/ The National Council of the Christian Democratic Party has ratified its political line and expressed its support for the executive board headed by Gabriel Valdes. Meeting in Punta de (Tralca), 70 leaders of the Christian Democratic Party reasserted the policy of alliances, support for the Civic Assembly, and the broad social mobilization.

Christian Democratic National Secretary Eugenio Ortega read the official declaration.

/Ortega recording/ In order to ratify the political line approved by the party's National Congress in July 1985 and implemented by the Christian Democratic's since then, we intend to build the bases of democracy through the effective, flexible, and simultaneous combination of social mobilization and political coordination that will permit us reach an agreement with the armed forces. This implies trying through all means to impede a fratricidal war, and to create the conditions for peace. /end recording/

The National Council also determined to strengthen the Democratic Alliance and the National Accord as forums for political and social agreements, and reiterated that the dilemma in Chile is democracy or dictatorship. It also expressed support for the students in their struggle for university autonomy and for the Civic Assembly.

/Begin Ortega recording/ To declare the fullest support of the Christian Democratic Party for the effort of the social organizations to converge into a National Civic Assembly, where, as it was stated, all Chileans, regardless of their social status or ideological position, may come together, each one with his interests and problem, in the so-called demand for Chile. Thus we will struggle together for democracy today, and for the development of everyone in freedom tomorrow. /end recording/

Ortega also indicated that the will to overcome the distance separating the civilians from the armed forces was reaffirmed, and to unify them behind the conviction that the coexistence must be based on respect for human rights and the state of law. It was also decided to heed the call for reconciliation made by the Episcopal Conference. The Christian Democratic Party insists that the time has come to create the conditions for the citizens to resolve in peace their destiny as a nation. To this effect, the Christian Democratic Party ratifies its wish to engage in all the political talks necessary to find a peaceful political way out to the national crisis. It finally expressed its full support for the national Executive Board headed by Gabriel Valdes.

/12228
CSO: 3348/519

CHILE

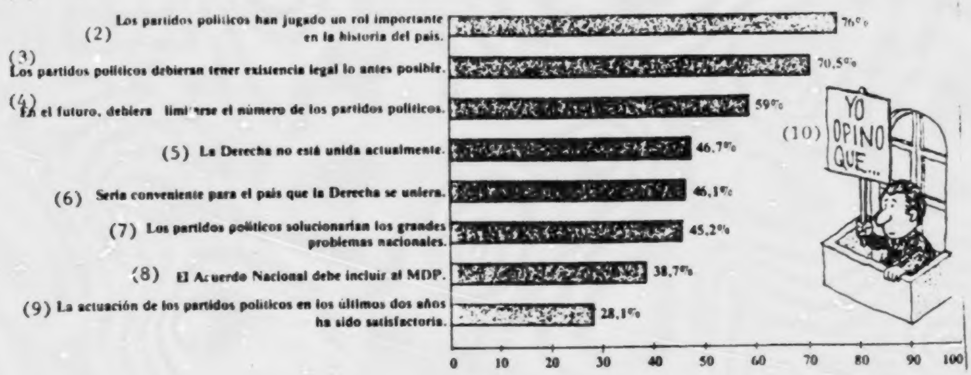
POLL SHOWS MAJORITY FAVORS LEGALIZING POLITICAL PARTIES

Santiago QUE PASA in Spanish 20-26 Mar 86 pp 14-20

[Text] Surprise, surprise, surprise! The fact is that the poll taken by ADIMARK, commissioned by QUE PASA, to find out what Chileans know about the political parties reflects a reality that had been sensed. A sad reality, a reality which the politicians are apparently careful to disregard. After analyzing the results, but little remains to be said; only to draw one conclusion or another....That Chileans are crying out for a clear definition of positions among the parties, because they recognize the latter's importance in the country's history. That it is the traditional political parties which are the well-known ones, but which owe their reputation to the "stamp" that they bring from the past. That Chileans (today) do not perceive nor understand what they are offering for the future. That the vast majority views events from the "balcony." But they do not feel committed to the options. They realize that there are different movements, but they do not join. They act as if they were waiting.

And the saddest part of all is the fact that the leaders of the political movements have not learned anything about what "marketing" is (....this, which has been a topic more than sufficiently publicized). Their groups are confused with others, or they are simply not known; or, what is worse, they are not identified with what they are offering. They have no "stamp," and their "product" is not reaching the masses. And, worse of all, this is the goal that they are supposedly pursuing, or is it? But it would be better for us to look at the figures....for once, let's forget "so much talk."

I. What do you expect of the political parties?



1. ¿ESTA USTED DE ACUERDO CON LAS SIGUIENTES AFIRMACIONES?
(1)

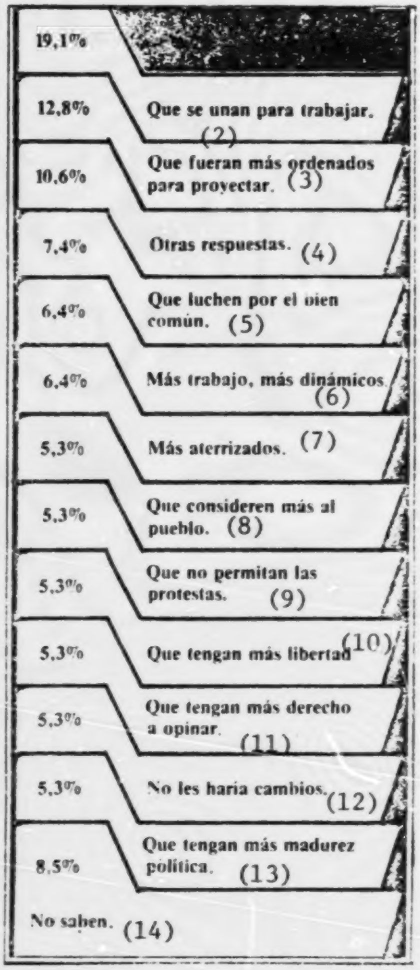
Key to Chart 1:

1. Do you agree with the following statements?
2. The political parties have played an important role in the country's history.
3. The political parties should have a legal existence as soon as possible.
4. In the future, the number of political parties should be limited.
5. The right is not united at present.
6. It would be feasible for the country if the right were united.
7. The political parties would solve the major national problems.
8. The National Accord should include the MDP [Popular Democratic Movement].
9. The political parties' activity during the past 2 years has been satisfactory.
10. I think that...

The statements are arranged in order based on the largest degree of support that they received. In most of them, the position taken was very clear, except in the one relating to MDP's inclusion in the National Accord, wherein vacillation was noted: 24 percent expressed indifference, 20.8 percent rejected it flatly, and 16 percent opted not to answer. It is also noteworthy that the highest socioeconomic sector (ABC 1) and the youngest group of those polled (18-34 years of age) were the ones who most agreed with this statement.

As for the politicians' activity during the past 2 years, it should be stressed that 71.9 percent find that they have acted "unsatisfactorily."

(1)2. Si Ud. se mostró en desacuerdo con la actuación de los partidos políticos en los últimos dos años, ¿qué recomendaciones o cambios les haría? (Las respuestas no estaban prefijadas.)



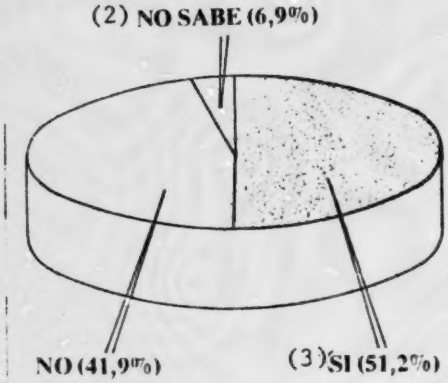
Key to Chart 2:

1. If you expressed disagreement with the political parties' activity during the past 2 years, what recommendations or changes would you make for them? (The responses were not predetermined.)
2. That they unite to work.
3. That they be more orderly, for planning.
4. Other answers.
5. That they strive for the common welfare.
6. More work, more dynamic.
7. More down-to-earth.
8. That they consider the people more.
9. That they not allow protests.
10. That they have more freedom.
11. That they have more of a right to express opinions.
12. That no changes be made in them.
13. That they have more political maturity.
14. Don't know.

Suggestions

The list was quite long. Here, we have only recorded the suggestions most reiterated. It is noteworthy that the lowest socioeconomic sector in the sample (Group D) was the one which most often called for unity among the parties. On the other hand, the most comfortable sector (Group ABC 1) most insistently called for order when it was time to plan.

(1)¿CONSIDERA IMPORTANTE PARA EL PAIS QUE SE FORMEN GRANDES BLOQUES POLITICOS?

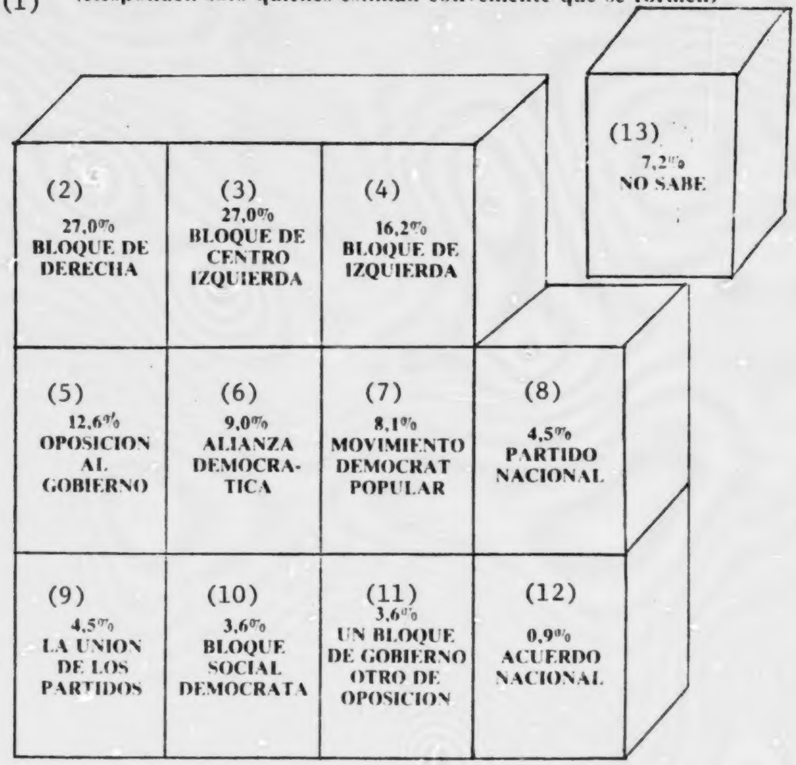


Key to Chart 3:

1. Do you consider it important for the country to have large political blocs formed?
2. Don't know.
3. Yes

The situation is extremely clear. Only one detail is noteworthy: A majority of those polled who were from the ABC 1 class favor the existence of political conglomerates. On the other hand, a high percentage of the members of Group D expressed opposition to this. In this instance, it was the men who were most inclined to give a "yes" answer.

(1) **¿QUE BLOQUES POLITICOS DEBIERAN EXISTIR?**
(Responden sólo quienes estiman conveniente que se formen)



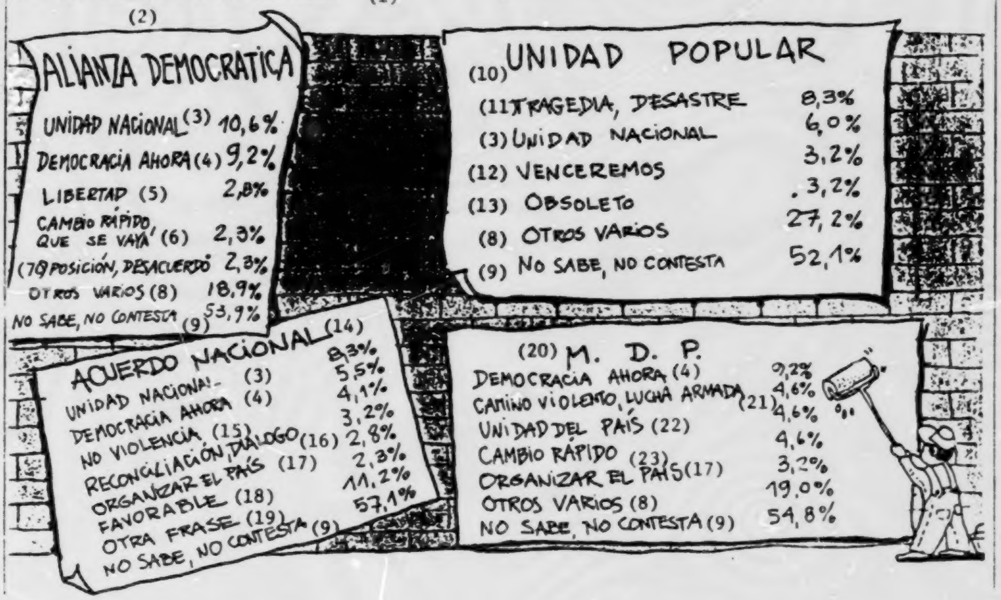
Key to Chart 4:

1. Which political blocs should exist (only those who deem it fitting for them to be formed answered)
2. Right wing bloc
3. Left of center bloc
4. Left wing bloc
5. Opposition to the government
6. Democratic Alliance
7. Popular Democratic Movement
8. National Party
9. Union of the parties
10. Social Democratic bloc
11. One government and another opposition bloc
12. National Accord
13. Don't know

These are some of the suggestions from that 51.2 percent of the sample which deemed it fitting for large political blocs to be formed. In general, they propose (using different names) the same as usual: blocs of the right, center and left. Age seems to influence the preferences: whereas the youth clearly opt for one of opposition to the government, those of middle age prefer a left of center one, and the oldest one of the right.

The men tend toward a bloc of the right, and the women, toward a left-of-center one. Both among the high-level group ABC 1) and the middle class (C2C3), the tendency is toward the right; whereas among the lower stratum (D), there is an inclination toward a left-of-center one.

¿QUE IDEA CENTRAL RESUME, A SU JUICIO, EL PLANTEAMIENTO GENERAL DE LOS CONGLOMERADOS POLITICOS? (1)



Key to Chart 5:

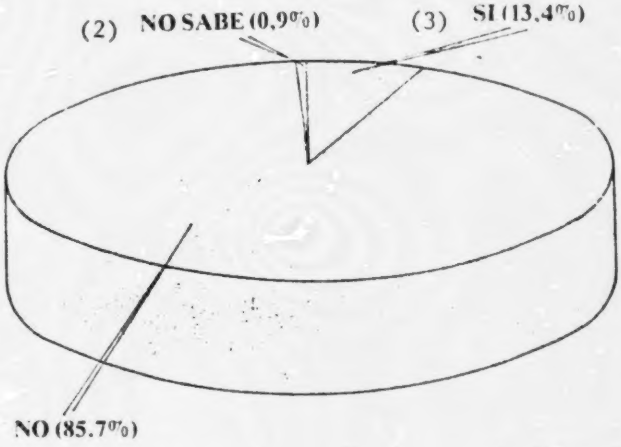
1. In your opinion, what key idea summarizes the overall proposal of the political conglomerates?
2. Democratic Alliance
3. National unity
4. Democracy now
5. Freedom
6. A rapid change, to take off
7. Opposition, disagreement
8. Various others
9. Don't know, no answer
10. Popular Unity
11. Tragedy, disaster
12. We shall conquer
13. Obsolete
14. National Accord
15. Non-violence
16. Reconciliation, dialogue
17. Organize the country
18. Favorable
19. Another phrase
20. MDP
21. Violent path, armed struggle
22. Unity of the country
23. Rapid change

(Note: We have published only the four blocs mentioned which are really a conglomerate.)

There is here a varied example of the almost complete ignorance concerning the key proposal identifying each bloc. Note the high percentage of those polled who merely admit that they "don't know." And also take note of the fact that some preferred to give their own opinion regarding the conglomerate. In short, it went relatively well for MDP: at least 9.2 percent remembered its slogan: "democracy now." People had little recollection of the "we shall conquer" which typified UP. National Accord's slogan did poorly ("negotiation" was not even mentioned); and, well, as for that of the Democratic Alliance, no one (except its members, we assume) knows exactly what they are "selling."

II. How much do they know about politics spontaneously?

(1) **¿ESTAN PERMITIDOS LOS PARTIDOS POLITICOS EN EL PAIS?**



Key to Chart 6:

1. Are political parties permitted in the country?
2. Don't know.
3. Yes

This is one of the few instances wherein there was a correct perception of the reality. Among those who think that political parties are permitted, there is a high percentage of individuals over 51 years of age. Also, the highest degree of ignorance occurred in sectors C2C3 and D.

(1) **¿QUE CONGLOMERADOS POLITICOS EXISTEN ACTUALMENTE EN CHILE?**

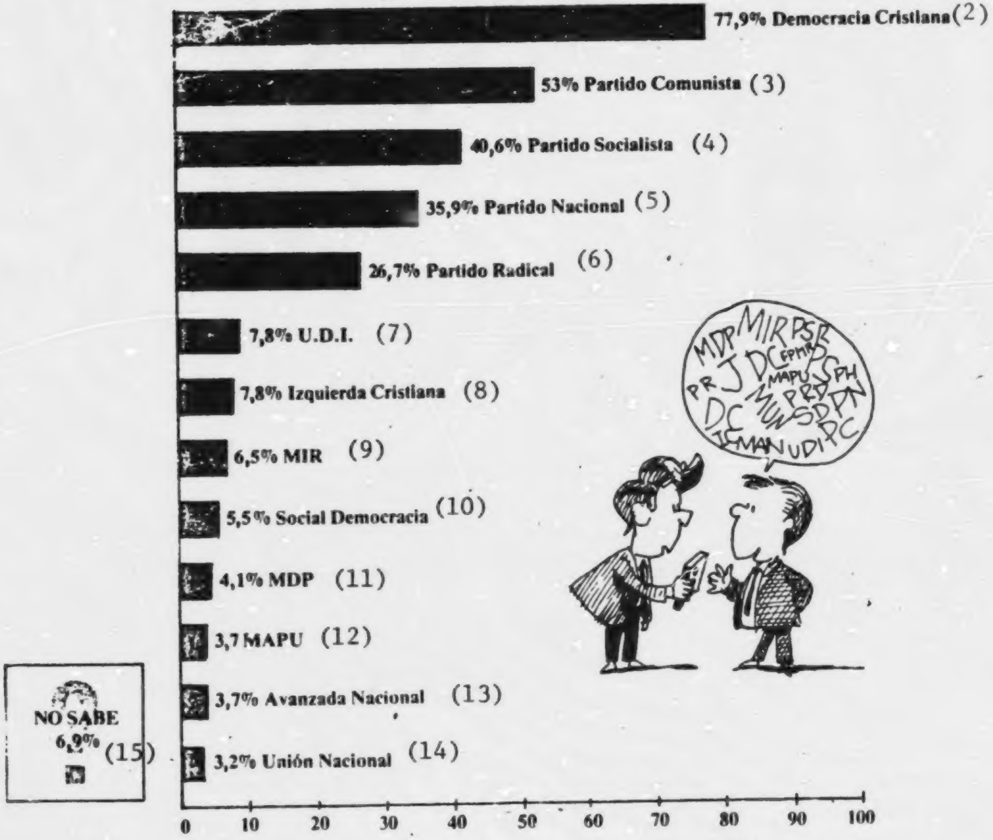
(2)	Movimiento Democrático Popular	35,0%
(3)	Alianza Democrática	30,0%
(4)	Acuerdo Nacional	2,3%
(5)	Grupo de los Ocho	0,9%
(6)	PRODEN	0,5%
(7)	No sabe	37,3%

Key to Chart 7:

1. Which political conglomerates exist in Chile at present?
2. Popular Democratic Movement
3. Democratic Alliance
4. National Accord
5. Group of Eight
6. National Development Project
7. Don't know

Here, the imagination (or ignorance) really took flight: of the long list mentioned as a political bloc, there were several movements or parties. For example, DC [Christian Democratic Party] was considered a conglomerate by 12.4 percent of those polled; which left it in third place. Nevertheless, we include only those which are really a group with various movements. MDP was mentioned primarily by the youth and by representatives of groups C2C3 and D.

¿QUE PARTIDOS POLITICOS
(1) EXISTEN HOY?



Key to Chart 8:

1. Which political parties exist today?
2. Christian Democratic
3. Communist Party
4. Socialist Party
5. National Party
6. Radical Party
7. UDI [Independent Democratic Union]
8. Christian Left
9. MIR [Movement of the Revolutionary Left]
10. Social Democratic
11. MDP
12. MAPU [United Popular Action Movement]
13. National Vanguard
14. National Union
15. Don't know

The traditional political parties are very latent in the mind of the Chilean. PDC, PC, PS, PN, and PR were recalled spontaneously by a high percentage of those polled, regardless of their age, sex, or socioeconomic condition; while MDP was mentioned only by the C2C3 and D sectors. The rest were cited, for the most part, by those polled from sector ABC 1. We also stress the fact that MUN [National Unity Movement] and UDI are considerably more familiar to the youth. In general, people do not distinguish the difference between a movement and a party, despite the fact that their leaders have insisted upon making the distinction.

(1)
¿QUE PARTIDOS COMPONEN LOS CONGLOMERADOS POLITICOS?

	(2) ALIANZA DEMOC. %	(3) [redacted]	(4) ACUERDO NACIONAL %
Democracia Cristiana (5)	53,8	[redacted]	60,0
Partido Socialista (6)	52,3	[redacted]	20,0
Partido Comunista (7)	44,6	[redacted]	20,0
Partido Radical (8)	33,8	[redacted]	40,0
Partido Nacional (9)	33,8	[redacted]	40,0
MIR (10)	16,9	[redacted]	0,0
Izquierda Cristiana (11)	[illegible]	[redacted]	0,0
MUN (12)	[illegible]	[redacted]	0,0
UDI (13)	[illegible]	[redacted]	0,0
MAPU (14)	[illegible]	[redacted]	0,0
Social Democracia (15)	[illegible]	[redacted]	20,0
Sector Partido Socialista (16)	[illegible]	[redacted]	0,0
Partido Social Cristiano (17)	[illegible]	[redacted]	0,0
Otros partidos (18)	[illegible]	[redacted]	0,0
No sabe, no contesta (19)	33,8	[redacted]	40,0

Key to Chart 9:

1. Which parties comprise the political conglomerates?	11. Christian Left
2. Democratic Alliance	12. National Unity Movement
3. Popular Democratic Movement	13. Independent Democratic Union
4. National Accord	14. United Popular Action Movement
5. Christian Democratic	15. Social Democratic
6. Socialist Party	16. Socialist Party Sector
7. Communist Party	17. Social Christian Party
8. Radical Party	18. Other parties
9. National Party	19. Don't known, no answer
10. Movement of the Revolutionary Left	

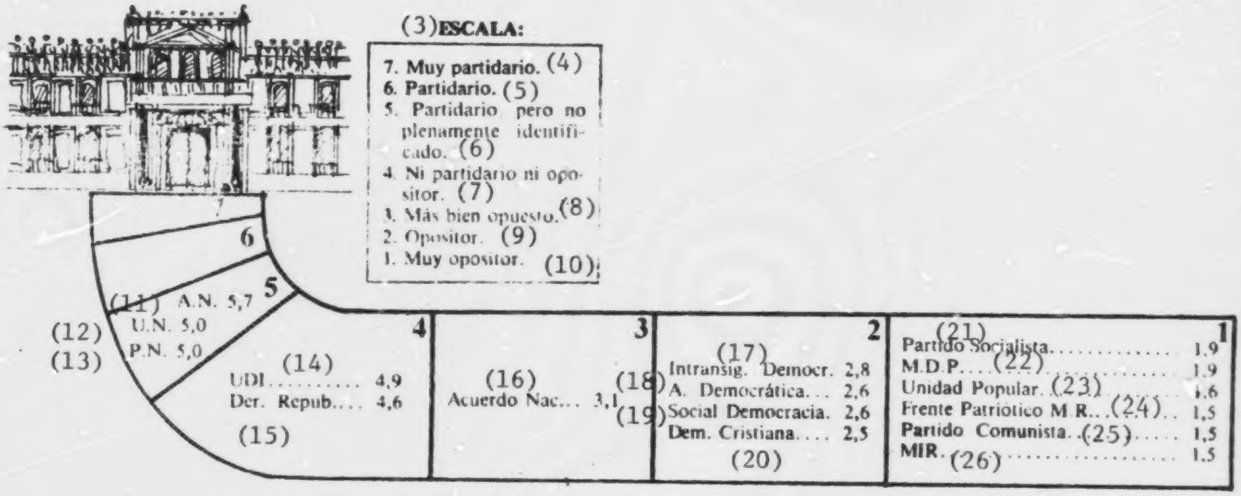
Not all that apply are here, nor do all that are here apply. In the three conglomerates mentioned most often, those polled formed the oddest groups. Here is a correction of the major mistakes, based on the number of people making them:

The Christian Democratic Party is not in MDP; nor is the Radical Party.
The Communist Party is not in National Accord, nor in the Democratic Alliance.
The National Party is not in the Democratic Alliance, nor are MUN and UDI.

III. How do you identify each party?

¿QUE GRADO DE IDENTIFICACION CON EL GOBIERNO CREE UD. QUE TIENEN LOS PARTIDOS Y CONGLOMERADOS EXISTENTES EN EL PAIS? (1)

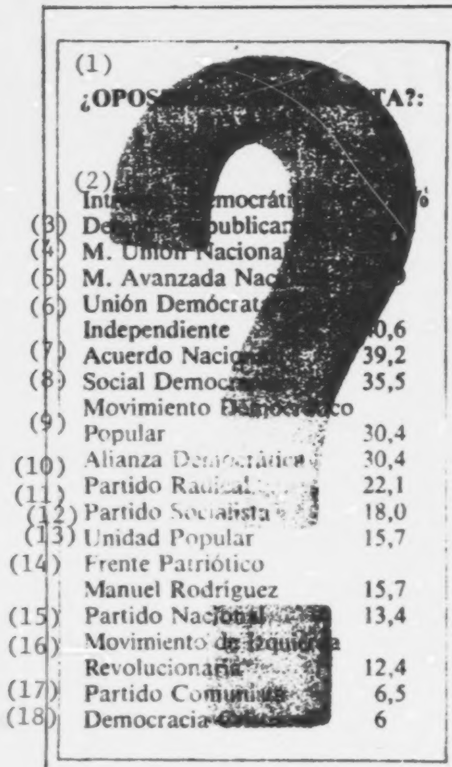
1. Muy Partidario o Muy Opositor al Gobierno: (2)



Key to Chart 10:

1. What degree of identification with the government do you think the parties and conglomerates existing in the country have?
2. Very supportive or very opposed to the government:
3. Scale
4. Very supportive
5. Supportive
6. Supportive, but not fully identified
7. Neither supportive nor opposed
8. Rather opposed
9. Opposed
10. Very opposed
11. National Alliance
12. National Unity
13. National Party
14. Independent Democratic Union
15. Republican Right
16. National Accord
17. Democratic Intransigent
18. Democratic Alliance
19. Social Democratic
20. Christian Democratic
21. Socialist Party
22. Popular Democratic Movement
23. Popular Unity
24. Manuel Rodriguez Patriotic Front
25. Communist Party
26. Movement of the Revolutionary Left

In this question, the person polled had to state whether a certain party or bloc was: very opposed to the government; opposed; rather opposed; etc. There was also the option of answering that one did not recognize it or know. With the first seven alternatives a scale was devised, assigning an index to each one of them. When the results were averaged, the degree of proximity or distance of a party or bloc to or from the government was obtained. Note the position in which the Republican Right was left. (Could having its name include the "right" have had an influence? Because the Republican Party alone (as its head insists upon calling it) was not even mentioned by those polled, when asked which parties were in existence.) We note in this question the degree of ignorance that exists with regard to the parties' orientation.



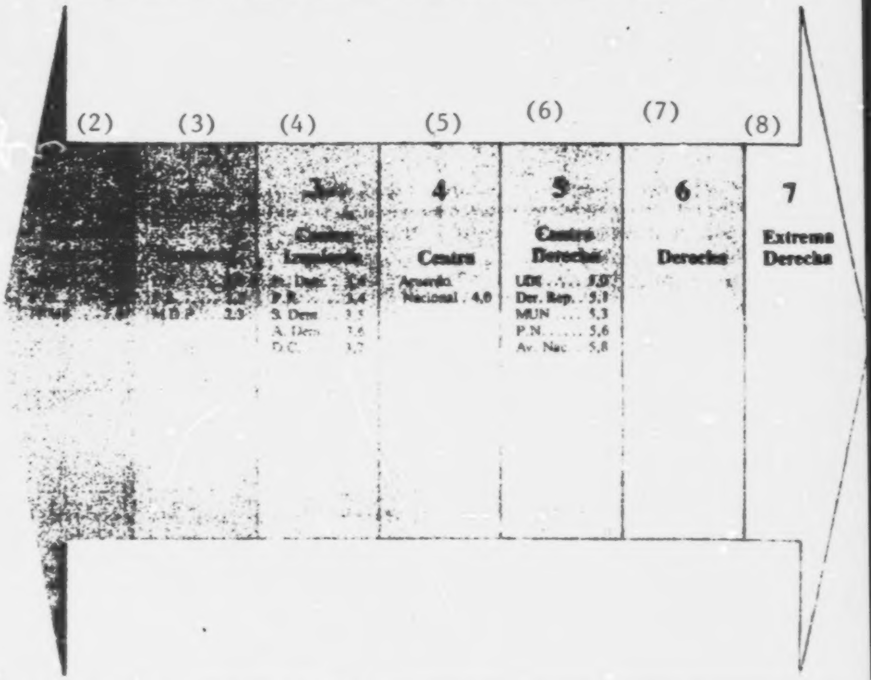
(1)

¿OPOS[illegible]TA?:

(2)	Int[illegible]mocráti[illegible]	%
(3)	De[illegible]publican[illegible]	
(4)	M. Unión Naciona[illegible]	
(5)	M. Avanzada Nac[illegible]	
(6)	Unión Demócrat[illegible] Independiente	[illegible]0,6
(7)	Acuerdo Naci[illegible]	39,2
(8)	Social Democ[illegible]	35,5
(9)	Movimiento Democrático Popular	30,4
(10)	Alianza Democrática	30,4
(11)	Partido Radical	22,1
(12)	Partido Socialista	18,0
(13)	Unidad Popular	15,7
(14)	Frente Patriótico Manuel Rodriguez	15,7
(15)	Partido Nacional	13,4
(16)	Movimiento de Izquierda Revolucionaria	12,4
(17)	Partido Comunista	6,5
(18)	Democracia [illegible]	6

(1)

¿QUE ORIENTACION POLITICA CREE UD. QUE TIENEN LOS PARTIDOS O BLOQUES POLITICOS EXISTENTES EN EL PAIS?

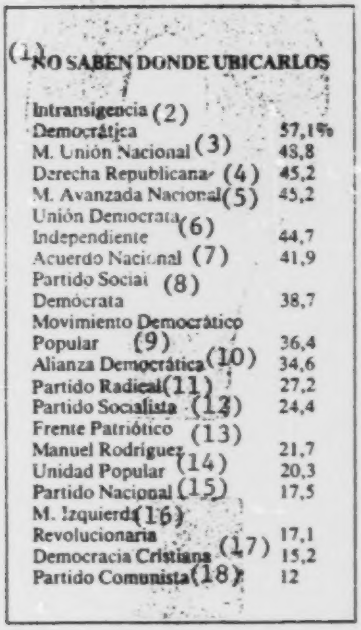


Key to Chart 11:

1. Pro or con government?: Don't know
2. Democratic Intransigent
3. Republican Right
4. National Unity Movement
5. National Vanguard Movement
6. Independent Democratic Union
7. National Accord
8. Social Democratic
9. Popular Democratic Movement
10. Democratic Alliance
11. Radical Party
12. Socialist Party
13. Popular Unity
14. Manuel Rodriguez Patriotic Front
15. National Party
16. Movement of the Revolutionary Left
17. Communist Party
18. Christian Democratic

Key to Chart 12:

1. What political orientation do you think the political parties or blocs existing in the country have?
2. Extreme left: Movement of the Revolutionary Left, Communist Party, Manuel Rodriguez Patriotic Front
3. Left: Popular Unity, Socialist Party, Popular Democratic Movement
4. Left of center: Democratic Intransigent, Radical Party, Social Democratic, Democratic Alliance, Christian Democratic
5. Center: National Accord
6. Right of center: Independent Democratic Union, Republican Right, National Unity Movement, National Party, National Vanguard
7. Right
8. Extreme right



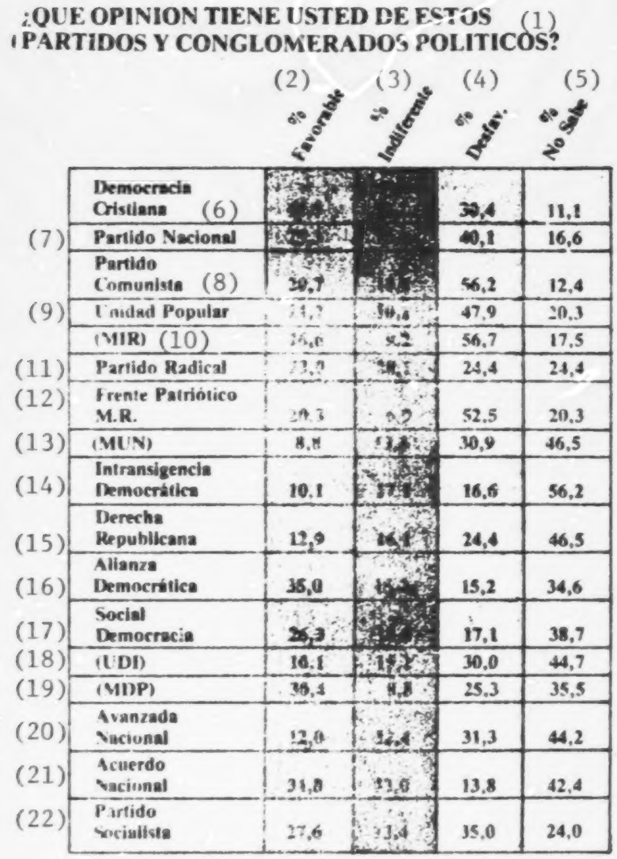
(1) NO SABEN DONDE UBICARLOS	
Intransigencia Democrática (2)	57,1%
M. Unión Nacional (3)	48,8
Derecha Republicana (4)	45,2
M. Avanzada Nacional (5)	45,2
Unión Democrata Independiente (6)	44,7
Acuerdo Nacional (7)	41,9
Partido Social Demócrata (8)	38,7
Movimiento Democrático Popular (9)	36,4
Alianza Democrática (10)	34,6
Partido Radical (11)	27,2
Partido Socialista (12)	24,4
Frente Patriótico Manuel Rodriguez (13)	21,7
Unidad Popular (14)	20,3
Partido Nacional (15)	17,5
M. Izquierda Revolucionaria (16)	17,1
Democracia Cristiana (17)	15,2
Partido Comunista (18)	12

Key to Chart 13.

1. They don't know where to place them.
2. Democratic Intransigent
3. National Unity Movement
4. Republican Right
5. National Vanguard Movement
6. Independent Democratic Union
7. National Accord
8. Social Democratic Party
9. Popular Democratic Movement
10. Democratic Alliance
11. Radical Party
12. Socialist Party
13. Manuel Rodriguez Patriotic Front
14. Popular Unity
15. National Party
16. Movement of the Revolutionary Left
17. Christian Democratic
18. Communist Party

Again, the percentage of the sample which "doesn't know" whether a party or bloc is of the right, center, or left is very high. By the same token, it reflects the fact that, although some groups are known, there is no information on the movement that they are following; except in the case of the traditional parties, wherein the "stamp" facilitates their placement in the ideological spectrum. In any event, those who dared to answer the question made it possible to devise a scale that is quite close to reality.

IV. What do you think of the political parties?



¿QUE OPINION TIENE USTED DE ESTOS (1)
PARTIDOS Y CONGLOMERADOS POLITICOS?

		(2) % Favorable	(3) % Indiferente	(4) % Desfav.	(5) % No Sabe
	Democracia Cristiana (6)	[illegible]	[illegible]	30,4	11,1
(7)	Partido Nacional	[illegible]	[illegible]	40,1	16,6
	Partido Comunista (8)	20,7	[illegible]	56,2	12,4
(9)	Unidad Popular	[illegible]	10,4	47,9	20,3
	(MIR) (10)	16,6	9,2	56,7	17,5
(11)	Partido Radical	23,0	[illegible]	24,4	24,4
(12)	Frente Patriótico M.R.	20.3	[illegible]	52.5	20,3
(13)	(MUN)	8,8	13,8	30,9	46,5
(14)	Intransigencia Democrática	10.1	17.1	16,6	56,2
(15)	Derecha Republicana	12,9	16,1	24,4	46,5
(16)	Alianza Democrática	35,0	[illegible]	15,2	34,6
(17)	Social Democracia	26,3	[illegible]	17,1	38,7
(18)	(UDI)	16.1	[illegible]	30,0	44,7
(19)	(MDP)	30,4	8,8	25.3	35,5
(20)	Avanzada Nacional	12,0	12,4	31,3	44,2
(21)	Acuerdo Nacional	31,8	[illegible]	13,8	42,4
(22)	Partido Socialista	27,6	13,4	35,0	24,0

Key to Chart 14:

1. What is your opinion of these political parties and conglomerates?
2. Favorable
3. Indifferent
4. Unfavorable
5. Don't know
6. Christian Democratic
7. National Party
8. Communist Party
9. Popular Unity
10. Movement of the Revolutionary Left
11. Radical Party
12. Manuel Rodriguez Patriotic Front
13. National Unity Movement
14. Democratic Intransigent
15. Republican Right
16. Democratic Alliance
17. Social Democratic
18. Independent Democratic Movement
19. Popular Democratic Movement
20. National Vanguard
21. National Accord
22. Socialist Party

A harsh blow for the left: The parties most rejected by Chileans (according to the sample) are, in descending order: MIR, PC, FPMR, and UP. It is noteworthy that the ones most critical of them were the youth sectors. PN also received an unfavorable result, especially among the ABC 1 sector and the youth.

MUN, virtually unknown to those over age 34, and to the D sector, met with a high degree of rejection among the youth and the highest socioeconomic group. In the case of National Accord, the tendencies indicate that it is largely unknown. Nevertheless, it receives greater acceptance among the youth and the ABC 1 sector. As for the controversial MDP, there is large degree of ignorance, particularly among the D sector, women, and those over 50 years old. However, it has a high percentage of support among the youth.

¿CUAL ES SEGUN UD. EL PARTIDO O BLOQUE MAS ATRACTIVO PARA LA OPINION PUBLICA, INDEPENDIENTE DE SU POSICION PERSONAL? (1)

DC (2)	66,4%
PC (3)	18,9%
PN (4)	16,6%
PS (5)	14,3%
PR (6)	12,9%
MDP (7)	10,1%
Ac. Nac. (8)	9,7%
UP (9)	8,3%
A. Democ. (10)	7,4%
MIR (11)	6,5%
S. Democ. (12)	5,1%
Av. Nac. (13)	5,1%
UDI (14)	4,6%
FPMR (15)	3,2%
MUN (16)	2,3%
Der. Rep. (17)	1,4%
No sabe (18)	14,3%

Key to Chart 15:

1. What do you consider the party or bloc most attractive to the public, regardless of your personal position?
2. Christian Democratic
3. Communist Party
4. National Party
5. Socialist Party
6. Radical Party
7. Popular Democratic Movement
8. National Action
9. Popular Unity
10. Democratic Alliance
11. Movement of the Revolutionary Left
12. Social Democratic
13. National Vanguard
14. Independent Democratic Union
15. Manuel Rodriguez Patriotic Front
16. National Unity Movement
17. Republican Right
18. Don't know

The comments more than suffice. One need only view the very high percentage received by DC, the only party which, in addition to having a well-known "stamp," those polled think that others support (not they necessarily). In drawing conclusions from these results, one should bear in mind what Isabelle Noele-Neumann's "spiral of silence" theory predicts: She claims that, when it is time to decide, the undecided masses will end up joining the movement that "they believe" to be the one most accepted by the majority. They bet on a winner, even though they may not be 100 percent convinced of those principles.

To Be Continued

Because there is still much more to be said, and because significant information has been omitted, QUE PASA will, in its future issues, provide more complete analyses of the individual status of each political party or conglomerate covered herein. They will be reports that will help to dissect the country's political reality from an objective standpoint.

Methodology

The public opinion poll was taken by ADIMARK during the first week of March 1986. The sample is of the probabilistic type, associated with persons over 18 years of age residing in Greater Santiago households. Both the households included in the sample and the specific person in each household who responded in the interview were selected using an aleatory (random) method, based on internationally accepted systems for this type of study. The total sample amounted to 217 persons. No a priori quotas of any kind were established. The margin of error in the sample lies between 3.0 and 3.5 percent.

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KEY CHRISTIAN DEMOCRATIC LEADERS ON POLITICAL ISSUES

Santiago QUE PASA in Spanish 20-26 Mar 86 pp 11-13

[Article by Ana Victoria Durruty: "JDC: New Faces for a Profile"]

[Text] When I thought that there was a question which would receive the same answer from everyone, along came Sergio Micco and appointed Dr Vacarezza as head of the Professional Associations. Up until that time, in the seventh interview of Christian Democratic Youth [JDC] leaders, Juan Luis Gonzalez held the lead.

QUE PASA asked 52 questions of nine of the most prominent DC youth leaders, based on both their public careers and the positions that they hold in the JDC leadership. They were asked to be concise, with the realization that we were putting them in a difficult dilemma for a Christian Democrat.

Also, before undertaking the venture of understanding the obvious differences, it must be noted that many of them, in private, admit positions different from those which they are willing to divulge publicly; sometimes so as not to risk a reprimand inside the party or losing the support of some sector thereof, and on other occasions to preserve the image of DC unity. That may perhaps be the main point of agreement, because you can see for yourself whether they are even agreed in citing three points of "absolute agreement."

Suggestion: read from left to right....

Issues

The Party

I. Three points of absolute agreement in the JDC or DC.

Miguel Salazar, vice president of the JDC: Mobilizing ourselves to return to democracy. Being capable of providing Chilean youth with a youth project. The necessity for constantly reporting injustice and violations of the rights of individuals.

Patricio Rivera, presdident of the Intermediate School JDC: Historic project. Where are we heading? And what do we want?

Delia del Gatto, vice president of the JDC, in charge of political relations and mobilization of the JDC: Political strategy for 1986. Diagnosis regarding the country's current situation.

Tomas Jocelyn-Holt, president of FEUC [Federation of Catholic University Students], national council member of the JDC: Everything related to the military government. Regarding everything associated with what comes after the crisis there is basic agreement.

Andres Palma, president of the JDC: That an impetus must be given to social mobilization so as to put en end to the regime. The final negotiations with the Armed Forces must take place. That everyone should participate in the future institutionality.

Humberto Burotto, president of FECH [Student Federation of Chile]: In the strategic realm. On the bases of the proposal for reconstruction under democracy. Regarding the basis on which we are carrying out our ideological "aggiornamento" [updating].

Andres Rengifo, president of the FEUSACH: The departure of the military regime. Construction of a democratic system. Strengthening of the party.

Pablo Anduez, president of the FEUC-V: Against Pinochet. His replacement as soon as possible. Other points: intermediate bodies, possible alliances.

Sergio Micco, president of the FEC: Pinochet has to go. DC must be a leading actor in that departure. JDC must be a bulwark in the transition toward democracy and in the strengthening thereof.

II. Three points of difference in the JDC or DC.

Miguel Salazar: The theology of liberation. The type of society to be built in the future. The view regarding relations with the MDP [Popular Democratic Movement]. They are not radical differences, but rather different views.

Patricio Rivera: The point of differences is the strategy for reaching the goal: the overthrow of the dictatorship.

Delia del Gatto: We in the JDC have a political framework and strategy defined on the basis of consensus; hence there are no major differences at present.

Tomas Jocelyn-Holt: Differences of emphasis more than anything else.

Andres Palma; The relations with other political forces in general. The relations with the MDP in particular. The method for establishing and relating the social organizations on the national level at present.

Humberto Burotto: Whether it is a good idea to hold elections in combined tickets with the MDP. Whether there must be a major discussion on the democratic proposals for the future. Discussions of a tactical nature.

Andres Rengifo: Strategic.

Pablo Andueza: A way of engaging in politics (whether I opt for organization with contact with leftist sectors, or for views of my party exclusively). Whether we are willing to create our own culture for this DC generation.

Sergio Micco: That concerning political alliances or agreements. Over and above the discussion of our being in favor of social mobilization, there are sectors which favor that more than others do.

III. Would you be willing for a split to occur, so as to achieve definite positions?

Miguel Salazar: No. They can be achieved without a split. I shall never abet a split, but I do intend to act on behalf of the attainment of definite positions.

Patricio Rivera: No. The definite positions will occur with talks; nothing is achieved with a split.

Delia del Gatto: I don't believe that the existing differences are basic; therefore, I don't believe that there will be a split.

Tomas Jocelyn-Holt: No. And furthermore, I don't believe that it is necessary.

Andres Palma: No. That would be the opposite of attaining definite positions. Today, we need to add, not subtract.

Humberto Burotto: The party has a democratic procedure for solving problems. And those of us who believe in democracy are not willing to have a split. I shall not leave the party.

Andres Rengifo: DC is more united than ever now; considering that there are legitimate differences in a democratic party, but that they make it even more democratic.

Pablo Andueza: No. There is the problem of the unemployed and those without housing, in Chile. I am a critic of the political parties, but I am also a critic of creating new parties.

Sergio Micco: I belong to DC because I believe in a particular project. If the differences over the project become so great, I think that it would be honest to admit it.

IV. Leader in the DC.

Miguel Salazar: There is none.

Patricio Rivera: Andres Zaldivar.

Delia del Gatto: Undisputed leader: Valdes

Tomas Jocelyn-Holt: Alejandor Foxley.

Andres Palma: Thank God there are many.

Humberto Burotto: Bernardo Leighton.

Andres Rengifo: Jaime Castillo Velasco.

Pablo Andueza: There is a crisis concerning leaders.

Sergio Micco: Ricardo Hormazabal.

V. How do you view yourself in DC (near....., with the support of.....)?

Miguel Salazar: Near those who believe in the deep insight that the National Falange had, in encouraging Christians' participation in politics.

Patricio Rivara: I am comfortable in DC.

Delia del Gatto: Very close to Valdes, and part of a great organization.

Tomas Jocelyn-Holt: Very near Valdes. I feel very comfortable with him.

Andres Palma: I am part of the majority in the party.

Humberto Burotto: I am supported by everyone; I feel close to everyone.

Andres Rengifo: Near Radomiro Tomic.

Pablo Andueza: Near Palma, but without labeling myself.

Sergio Micco: Progressive.

VI. Are you Catholic or not?

Miguel Salazar: A practicing Roman, apostolic Catholic.

Patricio Rivera: No.

Delia del Gatto: Yes, Catholic, period.

Tomas Jocelyn-Holt: A practicing Catholic (until last year, he had declared himself an agnostic).

Andres Palma: Yes, practicing; I participate in a community.

Humberto Burotto: I try to be Catholic.

Andres Rengifo: I try to be Catholic. I work in a basic community.

Pablo Andueza: Yes, a Roman, apostolic Catholic; and I try to live according to Christian values.

Sergio Micco: I try to be Catholic. I worked in the University Pastoral Movement until I was elected president.

National Politics

VII. View of the right.

Miguel Salazar: Confused, disunited, without identity, and still indebted to Chile to demonstrate its faith in democracy.

Patricio Rivera: Very corrupt and very divided.

Delia del Gatto: It is my hope that a democratic right will be bolstered in the country.

Tomas Jocelyn-Holt: Its mission is to attach value to democracy again and to make a thorough self-criticism; which is still in abeyance.

Andres Palma: During the past 12 years, the right has shown that it did not believe in democracy, except for the groups in the Democratic Alliance; and that is a major problem for the future.

Humberto Burotto: There are individuals who have struggled all their lives, and they are very valuable: the DR [Radical Democracy]. The rest have to prove to me that they are democrats, because I don't believe them.

Andres Rengifo: They are trying to retain concepts that are not in keeping with the times. They have no view of the reality, and they act on the basis of preserving certain interets.

Pablo Andueza: DR: they have given democratic witness. MUN [National Unity Movement] and PN [National Party]: incapable of taking a position on anything substantial: whether or not they are on the side of Pinochet. UDI: [Independent Democratic Union]: sinister.

Sergio Micco: A fragmented right which is vacillating between a return to the democratic roots and support for the current regime. If it doesn't renew its thinking, it is, unfortunately, outworn.

VIII. View of the left.

Miguel Salazar: Some have not learned anything and are still a threat to democratic stability in Chile. Others have begun an interesting process of renewal which I hope will be possible to materialize.

Patricio Rivera: Very pseudo-revolutionary and, furthermore, quite divided as well.

Delia del Gatto: A large portion is very self-critical, and some hold positions that would not aid a rapid political solution in the country.

Tomas Jocelyn-Holt: A socialist area that is still very fragmented.

Andres Palma: There has been a major maturing among the left, which warrants the notion that it could be a factor for stability in the future. This applies except to the groups backing military solutions.

Humberto Burotto: They have learned to value democracy; they distinguish democracy from dictatorship. Others will have to prove to me that they are democrats, because I don't believe them.

Andres Rengifo: On the one hand, there is Marxist dogmatism which will be overcome by a renewed socialism, with all that baggage that the people bring from exile.

Pablo Andueza: As for socialism: I acknowledge and value its self-criticism and its struggle for unity. As for PC [Communist Party]:a party that is, paradoxically, very Chilean, but very pro-Soviet; very important and powerful.

Sergio Micco: A left that is attempting to define its position, between two movements: a Marxist-Leninist one, and another of a non-aligned, humanistic, democratic socialist type.

IX. Alliances with the right.

Miguel Salazar: It is possible with the democratic right.

Patricio Rivera: No, because they are responsible for the political, social, economic, and moral situation that our country is undergoing.

Delia del Gatto: So long as there is a democratic right willing to work with others and to mobilize peacefully against the dictatorship.

Tomas Jocelyn-Holt: Chile will require major consensus, from the left and the right. Unfortunately, the largest portion of the right does not understand this.

Andres Palma: Same as the answer in the box below.

Humberto Burotto: Making tactical agreements aimed at recovering democracy. There are right and left wing parties which constitute government alternatives.

Andres Rengifo: I cannot conceive of alliances. If the right takes a position on behalf of democracy, of course we could be under an emergency government.

Pablo Andueza: For what purpose? Any political group which wants to combat Pinochet is welcome.

Sergio Micco: For what purpose? If it is to establish democracy and later strengthen it, "I'll go with God and with the devil," as Leighton said.

X. Alliances with the MDP.

Miguel Salazar: No alliance.

Patricio Rivera: Political, no; union, yes. Before being militants, we are students, and as such we can make alliances; although we cannot refuse to let them express their political opinion.

Delia del Gatto: I believe that there are three levels on which to have relations with other parties. The agreements with the MDP are framed in "electoral agreements" wherein a list is devised based on a common program.

Tomas Jocelyn-Holt: Politically, no. In the social realm, there are no alliances with parties, but rather among associations. I believe in the strategy of social mobilization.

Andres Palma: Alliances with everyone who is willing to join in a process of peaceful, united, democratic mobilization.

Humberto Burotto: I am willing to reach agreement with all sectors which favor the recovery of democracy. Unity is possible only if it is peaceful. These agreements are of a tactical type.

Andres Rengifo: Making it clear that our goal is a Chile for everyone, and that our people are not given to any method of struggle, and with MDP sharing this position, we could be together, but no alliance.

Pablo Andueza: I believe in MDP's real, sincere, effort for agreement, because it is a force that exists, with which we share the determined struggle on behalf of democracy and against the tyrant.

Sergio Micco: The problem is not whether to become allied or not; rather, it is for what purpose, and for what goal. For example, we did so in Concepcion to strengthen the student movement and to advance with the process of democratizing the universities.

XI. With whom in the government are you willing to talk?

Miguel Salazar: With everyone.

Patricio Rivera: With no one.

Delia del Gatto: We are for reaching a solution and, in the context of the National Accord, we are willing to talk with the Armed Forces.

Tomas Jocelyn-Holt: Samuel Lira.

Andres Palma: With anyone.

Humberto Burotto: With all those willing to return to democracy immediately.

Andres Rengifo: With the military structures, with the combined corps of generals.

Pablo Andueza: With all those who are willing to yield and to compromise.

Sergio Micco: I would talk with anyone, because I believe that it is essential to exhaust all the means for understanding.

International

XII. Is it "Yankee imperialism" when the United States exerts pressure on the government.

Miguel Salazar: No.

Patricio Rivera: No. It is a democratic position on the part of the United States.

Delia del Gatto:

Tomas Jocelyn-Holt: No. Pinochet is the antithesis of the values which we all recognize as universal.

Andres Palma: I approve of pressure on behalf of the struggle for human rights and the sovereignty of peoples.

Humberto Burotto: Yes, it still is, even though it may help to overthrow Pinochet.

Andres Rengifo:

Pablo Andueza: Yes, but not when it strives to make human rights effective in Chile.

Sergio Micco: If anyone should intervene in Chile, it must be the international agencies.

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CHILE

POLITICAL YOUTH PARTIES RELEASE MANIFESTO

PY091319 Santiago ANALISIS in Spanish 1-7 Apr 86 p 6

/Text/ The Coordinating Board of the political parties youth has issued this manifesto signed by the following youth leaders: Andres Palma and Miguel Salazar of the Christian Democratic youth; Aljenadro Goic and Jaime Perez de Arce of the Almeyda faction of the Chilean Socialist Party; John Mackinnon and Marcelo Lasagna of the Republican youth; Lina Rivas and Hector Morales of the Communist youth; Jose Luis Godoy and Carlos Martinez of the Liberal youth; Manuel Urrutia and Nelson Salinas of the Socialist youth; Federation (Historic or Mandujano faction); Osvaldo Aguilo and Cristian Garcia, of the Christian left; Eduardo Arrieta and Ricardo Brodsky, of the United Popular Action Movement /MAPU/, Gabriel de la Fuente and Aldo Valle of the Briones faction Socialist Youth Federation; Franklin Alezthier and Gonzalo Verri, of the Humanist Party; Luigi Ciocca and Eduardo Matala of the Social Democratic youth; and Patricio Tombolini and Hugo Manzo, of the Revolutionary Radical youth.

The five-page document is divided into three chapters; for Democracy, for the Social Mobilization, and Concrete Tasks. The following is a summary of the main paragraphs:

"The political organizations that are gathered here affirm democracy as the main principal order of the Chilean political system with which to concretely and regularly recognize the sovereign expression of the people as the only legitimate source of political power."

"Our basic claim is for a political regime sustained by the election of authorities through free, universal, secret, and informed elections chosen by the people among different alternatives. This political regime should have separate branches of government in order to control each other with the aid of the people, in total respect of basic human rights."

"We are convinced that the possibility of politically stabilizing our country at the conclusion of the dictatorship, within a framework of democratic coexistence, does not only depend on respecting regulations democratically agreed upon by the political and community sectors. There are so many legitimate aspirations that the military dictatorship has frustrated, annihilated, and degraded that, most certainly, the demands for bread, work, shelter, housing, health, education, and justice will become unstoppable. It is impossible that they will be satisfactorily met even halfway in a country that refuses to implement thorough structural changes regarding the distribution of national income, the administration of justice, and the relationship of the armed forces and the forces of order with the civilian society." "We are fully convinced that democratic stability will not be possible in a country characterized by a high concentration of the national wealth in the hands of a few economic groups and transnational enterprises, in a country whose judicial system has not championed basic human rights, in a country whose armed forces have been transformed into the leading political party, the only one with deliberative rights."

"Therefore, we, the concurrent political organizations, express our unswerving willingness to join forces to attain and build a democracy, not merely a political one but also a socioeconomic one, one that is essentially allowing everyone to participate. We, the Chilean youths, want not only a representative government but also a democratic society in which the concept of democracy is not just a slogan but a principle, governing our lives."

For Social Mobilization

"We, the undersigned political youth organizations, state that the restoration of democracy in our country and, thus, the respect of human rights, calls for a political willingness to promote the broadest types of concerted and massive social mobilizations."

"We reject the transition formula for negotiations within timetable provided for in the 1980 Constitution, and we reject Pinochet and the armed forces' continuation in government because this would involve handing over to the dictatorship the management of the democratic transition. Chile's liberty and our people's sovereignty will never be sacrificed at a negotiating table."

"We reject this type of 'Transition' but this does not exlude per se the possibility of holding political negotiations between the armed forces and all the social and political organizations standing for democracy. Indeed, we state that such negotiations must be conducted within the following conditions:

"1) Pinochet's departure from power.

"2) The return of the armed forces to their institutional fucntions, subordinate to the powers democratically chosen by the people.

"3) The formation of a transitional provisional government.

"4) The creation of a constitutional framework emerging from the free expression of the people's sovereignty.

"Therefore, the youth does not want politics to become militarized (...) We will never give up liberty and democracy. Thus, we reject political crimes and, in order to confront the violence leading to state terrorism, we, the Chilean youth, will respond with new, massive, and strong types of social mobilization."

"These points of agreement on the basic contents of the demorcracy we desire and social mobilization as an indispensable tool to achieve that goal permit the achievement of one of the basic demands of the Chilean people within the youth circles, namely the political and social agreement of the opposition forces to confront the dictatorship.

"This willingness is expressed by the existence of this young, broad, and pluralistic Coordinating Board, comprising the signatories of this document. These organizations agree to commit their willingness and political activity to strengthening this Coordinating Board, turning it into a tool for mobilization and unity, as proposed by the Chilean youth."

Among the immediate tasks of the Coordinating Board, the manifesto mentions: "To continue making progress in the achievement of nationwide political accord including all the forces that stand for democracy, permitting a political way out for the Chilean crisis. We believe that significant contributions have been made toward achieving such an accord, namely the contribution of the National Accord, and the Manifesto to the Chilean People, which was signed by the Chilean Human Rights Commission, as well as the steps taken by the National Workers Command within the representative of the Chilean List of Demands /Gran Pliego de Chile/.

The youth reassert that "we are committing our most resolute willingness to permanent mobilization."

/12228
CSO: 3348/519

INTERIOR MINISTER SPEAKS TO STUDENT LEADERS

PY192112 Santiago Domestic Service in Spanish 1700 GMT 19 Apr 86

/Text/ Interior Minister Ricardo Garcia today analyzed the current situation in Chile in a speech to students at the National Women's Boarding School. The following is a report by our reporter Rosa Sanchez:

/Begin relay/ Interior Minister Ricardo Garcia stated today that Chile is now standing between the democracy sought and wished by the government itself, and the anarchic chaos of those who want to stop the democratic process. The minister made this statement in a speech to hundreds of young students during the second general meeting of secondary student leaders of the metropolitan area.

The meeting, organized by the National Youth Secretariat, was held at the National Women's Boarding School, in the Nunoa neighborhood.

In his speech, the minister exhorted the young people not to let themselves be decided at the present time by those who want to distract them and hinder them from reaching their real goals.

He said that there are those who will tell you that now is the time for violence and violent action. There are also those who will try to tell you that violence and destructive action are justified because the country is not on the road toward democracy. He also said that there are sectors that have invented the sophism that the great dilemma of Chile is whether to have dictatorship or democracy, which is all nonsense, he said.

The interior minister also stressed that in the last few days some people have unjustly raised their banners to solve university problems and have incited students to take over lecture rooms and destroy property, challenging the authorities. He added that there may be many problems at university and academic levels and that it is a natural thing to seek solutions to the problems, but nothing justifies the use of violence, the destruction of the means of education, and the attack on order at the universities, he said.

Minister Garcia stated that Chile is moving toward an orderly democracy and toward a regime which has already been established by the Chileans who wish it and have voted for it. The government is inexorably moving in that direction.

This is a report by the National Radio System. /end relay/

/12228
CSO: 3348/519

MAGAZINE POLL SHOWS PDC WITH MOST SUPPORT

PY120041 Santiago QUE PASA in Spanish 3-9 Apr 86 p 19

/Text/ It is no secret that there has been no political activity in the country since 1973, or that some political parties have continued to operate in secret, or that others simply decided to withdraw from the political arena. The QUE PASA opinion poll has shown that the memory of the average citizen is "in recess" regarding political matters. After 13 years, the political parties that first come to mind among Chileans--according to the poll--are those that existed prior to the military coup. The Christian Democracy /PDC/, the Communist Party /PC/, the Socialist Party /PS/ were mentioned spontaneously by the majority of those who were polled. In general, a tremendous ignorance about new parties compounds the great confusion regarding the old parties.

The PDC, the party that is best-known--77.9 percent mentioned it without hesitating--is also the one that got the greatest percentage of support (41.4 percent), particularly among the middle and lower classes. It is also the party recording the smallest percentage of abstentions, when people were asked to give their opinion of it. The people who were polled placed the PDC in the center-left political spectrum and see it as "an opposition party." This they have perfectly clear in their minds, but they are confused about the relation between the PDC and the MDP /People's Democratic Movement/. Of those polled, 55.2 percent believe that the PDC is a member of the MDP; and 12.4 percent believe that the PDC is a political coalition. A considerable number of people (17.7 percent) are indifferent to the PDC, and the higher percentages are among the young. This contrasts with a 66.4 percent of those polled who believe that the PDC is "the party to which the public feels more attracted. Only 18.9 percent believe that the Communist Party is the second party to which the public feels more attracted.

When answering on a personal basis, those polled rejected the PC (56.2 percent). Those who are categorically against it belong to the upper socioeconomic level, and they range between the ages of 18 and 34. It seems that the PC has a negative image, mainly among those who remember 1973 /the military coup/, because the percentage of people who rejected the PC is much higher than those who rejected the MDP (25.3 percent), which is a coalition that belongs to the PC.

The Socialist Party /PS/ is well known, although that may not hold true for its different factions because there was no specific opinions about them.

There is a similar percentage of those who favor and those who oppose it (27.6 percent and 35 percent, respectively); while a good percentage are indifferent (13.4 percent). The PS is identified as a member of the opposition and the leftist political spectrum, but people were confused as to the political coalition to which it belongs. Of those polled 55.3 percent placed it within the Democratic Alliance /AD/; 55.1 percent placed it within the MDP and only 20 percent placed it within the National Accord /figures as heard/ (we must point out that only the Almeyda faction is a member of the MDP; and that the Carlos Briones faction is a member of the AD and the National Accord).

A similar situation occurs with the Radical Party. Of those polled, 26.7 percent listed it among the political parties. A high percentage (34.2 percent) included it, although erroneously, as an MDP member. The Radical Party is best known among the young and those in the upper class. In general, opinion about it are neutral (indifferent).

Social Democracy, which splintered from the Radical Party, is one of the lesser known parties. But the Democratic Intransignecy is one of the least known, but of course it is also the newest party.

/12228
CSO: 3348/519

PDC DENIES SECRET AGREEMENT WITH PCCH

PY142256 Santiago Radio Chilena in Spanish 1700 GMT 14 Apr 86

/Excerpts/ The Christian Democratic Party /PDC/ at noon today answered the charges by lawyer Ricardo Claro Valdes who in the Radio Chilena Program "Improvising" reported an alleged secret pact between the PDC and the Chilean Communist Party /PCCh/. The PDC has released a declaration confirming the comments made last night to Radio Chilena by Gabriel Valdes, who said that Ricardo Claro's report is incomplete and basically false. Eugenio Ortega, the PDC secretary, said that Ricardo Claro's charges were false.

/Begin Ortega recording/ It is absolutely false that the PDC has a secret pact to negotiate with the PCCh. The PDC position is clear, unanimous, and very well known by the entire country. The PDC does not have any kind of pact or political alliance, either secret or public, with the PCCh. We deny the existence of any type of document referring to a secret agreement with the PCCh. The fact that Claro used partial and wrong information from a working meeting of the PDC National Council, which had other objectives and was aimed at preparing a new national council meeting, should be strongly repudiated. /end recording/

Ortega said that the PDC position has been reiterated several times, that the PDC position is to strengthen the Democratic Alliance, develop the National Accord and support the demands of the social organizations. He also said that the PDC is against violence and terrorism and that the choice nowadays is between dictatorship and democracy. Ortega added that the PDC regrets that Ricardo Claro, who has shown a position attitude for the recovery of democracy, has now served the interests of the dictatorship.

/12228
CSO: 3348/519

GUATEMALA

GOVERNMENT DECIDES TO RENEGOTIATE FOREIGN DEBT

Guatemala City EL GRAFICO in Spanish 10 Feb 86 p 2

[Text] The Finance Minister, Dr Rodolfo Paiz Andrade, announced yesterday that Guatemala will renegotiate its foreign debt, but admitted that talks on the matter are still in the preliminary stage.

The minister said that Guatemala recognizes the need to renegotiate its debt and to refinance the terms of some of its credits. But at this point, only preliminary discussions have taken place.

However, eventually it will be necessary to make formal proposals in order to achieve renegotiations, he said.

Talk of New Taxes Premature

Dr Paiz Andrade described any attempt to speak about new taxes as premature. At this point, it is too soon to predict which tax rates, types and volumes will prevail.

Of one thing we can be sure, he added, and that is that the government is working to create a plan that will not affect the people adversely, on the one hand. That is, a plan that will permit Guatemala's development, in terms of stimulating production and generating economic wellbeing.

The minister said that, within the process of proposing plans to restructure the economy, officials have emphasized the need to reach consensus at three levels.

One is the level of internal consensus within the governmental sector. Another level pertains to consensus within other sectors of the economy, as well as sectors that affect the economy and play a role in society. Finally, there is the international sector.

Dr Paiz Andrade said that he is sure that understanding exists within the private sector, and added that in order to achieve the announced process of consensus, officials will explain the nature of the entire program.

The plan will involve not only exchange and fiscal policies, but will also define the role of each sector.

He added that we are talking about a whole feeling that the govenrment should correct the distortions that have existed in the economy, reduce monetization and curb inflation.

These are ambitious goals and objectives, he feels, but he believes that what the people expect of Guatemala is proposals and change.

8631
CSO: 3248/317

COFFEE GROWERS ALARMED BY CRISIS BLAMED ON EXCHANGE SYSTEM

Guatemala City EL GRAFICO in Spanish 11 Feb 86 p 5

[Article by Joaquin Medina Bermejo]

[Text] National coffee growers lack funds for the agricultural supplies that they need to continue producing coffee in this country, said Gregorio Padilla, president of the Association of Coffee Growers of Eastern Guatemala (ACOGUA). In a statement yesterday, [10 Feb], Padilla added that this could aggravate the national economic crisis even further, and asked that foreign exchange reserves be freed so that they might be allocated for this purpose.

The producers of coffee, the nation's principal source of foreign currency, are presently experiencing a serious crisis due to the impossibility of obtaining fertilizers and products for fumigation. This is because of the negative impact of the exchange system on coffee growers.

The president of ACOGUA stated that protests made by the Guatemalan coffee growers seek the goal of a unified exchange system. This would mean that the same amounts in quetzales would be paid for dollars remitted for exports of coffee as they would for other products.

"This is what we seek: if we sell a quintal of coffee for $100, we want to be paid the equivalent in quetzales. At present, we are being treated unfairly. Unlike other sectors, we are paid at a rate based on official parity between the dollar and the quetzal, which is one to one," he said.

"We need to make the present administration listen to us. Short-range measures should be taken soon so that we will not lose faith in the new leadership. We believe that the new administration should define its economic policies clearly and cease affecting primarily the nation's most productive sectors. We coffee growers are unanimous in the hope that this government will handle things better than the previous governments have done," Padilla explained.

8631
CSO: 3248/317

MASONIC BODY ARGUES FOR END TO PAYMENTS ON FOREIGN DEBT

Mexico City EXCELSIOR in Spanish 17 Mar 86 STATES section pp 1, 2

[Text] Acapulco, Guerrero, 16 Mar--The lodges of the Mexican Masonic organization affiliated with the Independent Universal Rite came out in favor of canceling the debt to foreign banks, "because, with the interest paid to date, that obligation to those speculating with our economy has doubled," as one of its leaders, Grand Master Miguel Perez Guadarrama, commented.

Gabriel Romero Arana, Maria del Carmen Navarro, and Javier Villanueva, other masters, argued that a moratorium would only deter the payment, including interest , but that the correct course of action should be "not to pay a cent, so that it will be possible to rebuild our economy, which is in a depressed state, to the detriment of the majority of people."

The foregoing statements were made at the swearing-in of Virma de la Fuente de Cortina as president of Liberal Women and of Fernando Padilla Mendez as state president of the National Confederation of Liberal Organizations, during a ceremony which took place last night.

No More Church Interference

The Masonic leaders also remarked that the interference of the national and international clergy in our political activity should be curbed because, according to our Constitution, there is a separation of Church and State, and the Church should hold its services inside its churches, "inasmuch as priests do not have a right to a voice or vote in our democratic struggle."

At this ceremony, the Liberal women joined the Institutional Revolutionary Party's National Confederation of Popular Organizations; for which reason the state leader of that PRI sector, Hermilio Mejia Estrada, gave them a vote of confidence.

2909
CSO: 3248/328

CONCANACO VICE PRESIDENT OPPOSES FOREIGN DEBT MORATORIUM

Mexico City EXCELSIOR (STATES section) in Spanish 19 Mar 86 pp 3, 6

[Text] Ciudad Victoria, Tamaulipas, 18 Mar--Today, the vice president of the Confederation of National Chambers of Commerce [CONCANACO], Armando Amin Rodriguez, declared himself opposed to a moratorium on Mexico's foreign debt, because it "would mean isolating ourselves from the international community, and its results would be disastrous."

That measure would only radicalize the country's economic problem, and would upset its development structures. He claimed that the debt problem, "rather than frightening us, should motivate us."

Amin Rodriguez, a candidate for the presidency of the Confederation of National Chambers of Commerce, commented on the statements made by private enterprise regarding the crisis besetting the country, stressing: "They were not made with the desire to be troublesome; we are doing this in a responsible manner, based on the free atmosphere in which we are living."

He said that the direction taken by President Miguel de la Madrid in the economic area is the proper one. Nevertheless, he came out in favor of selling all those parastate companies which, because they are unproductive, are a burden to the treasury, as the businessman remarked.

Foreign Capital Should Not Be Taboo

He cautioned that the entry of foreign capital into the country should cease to be considered taboo: "It is a priority to channel foreign investment into strategic areas for development and social benefit."

He also called for the decentralization of tourism, because it should not be concentrated in beach and shore areas, nor in the Federal District, but rather should extend to interior cities and towns which have a great deal to offer.

Moreover, he observed that, if elected by the country's 260 Chambers of Commerce in the elections on 28 May, he would place emphasis on the development of trade in the border market which, taking advantage of the tariff facilities, "could triangulate exports. It is a gold mine for commercial development, with its proximity to the United States."

2909
CSO: 3248/328

CIUDAD JUAREZ BISHOP CALLS FOR PRI FIDELITY TO DEMOCRACY

Mexico City LA NACION in Spanish 15 Mar 86 p 31

[LA NACION, national organ of the National Action Party, identifies the author simply as: Manuel Talamas Camandari. For related article, see JPRS LATIN AMERICA REPORT of 6 Feb 86 (JPRS-LAM-86-015), p 111]

[Text] A kind person graciously sent me the book containing PRI's [Institutional Revolutionary Party] Basic Documents.

At the outset, I found in that book a quotation taken from a speech by Miguel de la Madrid. Here it is: "The Institutional Revolutionary Party is still upholding the political ideology of the Mexican Revolution in an energetic, renewed fashion. We have the best planks the best programs, the best organization, and the best people."

Based on such a statement, a mind with a moderate capacity for criticism would immediately draw a very obvious conclusion, favoring the establishment of a real democracy in our nation: If PRI has the best propositions, the best programs, the best organization, and the best people, then it need not be an official party; consequently, it does not need to be backed by and almost identified with the government either, nor do the municipal, state, and federal budgets need to cover most of its enormous operating and electoral propaganda expenses, much less resorting so often to electoral procedures which it manipulates itself, needing even less to resort to fraud, known to all the people.

The honorable president's claims provide solid grounds for insisting on the righteous civic endeavor of fighting to enable us Mexicans to soon embark upon genuine democracy, wherein the revolutionary slogan which cost so many lives and which we still read at the bottom of all official documents: effective suffrage, may become a reality. The president's statements are actually in favor of a real democracy, that is, a political system in which there is no party virtually identified with the government, nor use of government budgets for the benefit of that party, much less fradulent electoral practices. I shall explain why.

There is a philosophical principle as obvious as it is fundamental, which is quite pertinent here: "What is good becomes desirable by itself alone." This means that what is good, precisely because it is good and only because it is good, becomes desirable, without having to resort to anything extraneous or added to itself; because if it needed something extraneous, this would prove that it is not truly good.

Now then, if what is good becomes desirable by itself alone, imagine how much more desirable what is the best of all would become by itself alone!

So if the PRI planks, programs, organization, and people are the best, then they become desired by the citizens of themselves alone. And if they become desired by the citizens of themselves alone, why resort to the party's official status and to the government's backing and to the use of public budgets and to the manipulation of groups and fraudulent electoral processes and procedures which run counter to the very essence of an authentic democracy?

One concludes something else from what has been said: That the official status, and government support, and the use of public budgets for its benefit, and the manipulation and resorting to fraudulent procedures are causing PRI as well as democracy itself extremely serious harm.

Because, by virtue of the philosophical principle that "what is good becomes desirable by itself alone," PRI must confront a fundamental dilemma which it cannot elude, owing to its unavoidable logical force: If I am the best party of all, and hence am desirable to the citizens by myself alone, why do I maintain the official status and all the other practices which are corrupt and antidemocratic? And if I am not the best party, by what right do I declare myself official and almost identify myself with the government, and use public budgets, and manipulate the elections, and resort to fraudulent activities?

As my readers can attest, it is the distorted Mexican political system that urgently needs improvement, until it deserves to be accredited as a genuine democracy. Improving the system, letting the parties duly comprising it, whatever their mark may be, and then it will be a pleasure to recognize the one which receives the majority of the votes honestly and impartially, whatever its initials may be, as the winner: in this way, the people's sovereignty will be a reality.

Finally, I wish to note that I have made this stringent logical reflection because I am convinced of what Our Lord Jesus Christ proclaimed: Only "the truth will set you free" (John 8:32). Therefore, we must transform our present political system into a democracy, so as not to be dissociated from the truth.

DIARIO DE JUAREZ, 8 Jan 86.

2909
CSO: 3248/327

NATION'S GRASSROOTS CHURCH COMMUNITIES MEET IN OAXACA

2,700 Representatives Attend

Mexico City LA JORNADA in Spanish 15 Feb 86 p 5

[Excerpt] The 12th National Meeting of Grassroots Church Communities [CEBs] took place in Oaxaca from 5 to 9 February. Over 2,700 representatives from the nine regions in which this increasingly strong Church movement has been set up throughout the entire country, in 11 work cells, each with approximately 250 persons (Indians, peasants, workers, students, underemployed, unemployed, housewives, and pastoral agents), distributed among all of the city's parishes and churches, held dialogue and made decisions relating to their missionary, prophetic nature, one of service to the Church in Mexico.

Present, in addition to the archbishop of Oaxaca, was the archbishop of Jalapa and president of the Bishops Conference, Msgr Sergio Obeso, as well as the bishops of San Cristobal de las Casas, Tehuantepec, Tabasco, Ciudad Guzman, and La Tarahumara, and members of the Jesus Maria prelacy in El Nayar.

In an ecclesiastical mood, but also with a clearcut, critical view on the current situation in the country and the Church, using ordinary language illustrated by ballads and dramatizations, on the afternoon of 8 February they submitted their conclusions at a heavily attended ceremony held in the spacious cloister of the Shrine of Our Lady of Sorrows.

They could not allow the struggle and the hunger strike of the teachers from SNTE's [National Trade Union of Education Workers] Local 22 on behalf of the democratization of their union go by unnoticed, unanimously demanding the assumption of a Christian position. They did so on 8 February, in a message which the archbishop of Oaxaca released to the state and national press.

Criticism of 'System'

Mexico City DOCUMENTACION E INFORMACION CATOLICA in Spanish 13 Mar 86 pp 165-166

[The text of the following "Message" was also published, with slight differences in the numbering of the paragraphs, in LA NACION, national organ of the National Action Party, of 15 March 1986, pp 14-15.]

[Text] Editor's Note: For some time, we have been deploring professional agitation among the teachers of Oaxaca. On the occasion of the holding of the 12th National Meeting of Grassroots Church Communities, convened in Oaxaca itself, from 5 to 9 February 1986, the 'CEBs' delegates sent the following

Message From the Grassroots Church Communities of Mexico to the Teachers of Local 22 Affiliated with the National Trade Union of Education Workers (SNTE)

1. For over a year, the Archdiocese of Oaxaca has been following the trade union situation with concern; it has made an effort to understand the causes of it and, as a Church, has sought to provide a response.

2. In fact, there have already been some demonstrations of this, receiving with interest those of you who have desired to provide direct information; and some of our pastoral agents have gone with their spokesmen to learn about your situation more thoroughly, expressing our willingness to hold religious services with you when you have requested it of us.

3. Although we are aware of the presence and participation in your movement of state teachers who profess to be Catholic, in this message we address all the teachers in SNTE's Local 22.

4. On the occasion of the holding of the 12th National Meeting of Grassroots Church Communities in Oaxaca, many of us Catholics from all over the country have now been greatly impressed, directly, by your struggle on behalf of trade union democracy.

5. Hence, we have felt it necessary to say a word to you in the light of the Gospel of the Lord Jesus, thus responding to the requests that many of you have made to us recently.

6. We in the Grassroots Church Communities, as living parts of the Church, feel the need to share your difficulties. Moved by the word of God, we are committed to the construction of an organized, just, participatory, and free society on all levels, which will protect and foster the legitimate interests of the poor, weak people, forming the vast majority in our nation.

7. Although we are not institutionally identified with any movement or party in particular, we know that our actions in the concrete search for the common welfare inevitably have political repercussions.

8. Despite the limitations of time, during these past few days we have also engaged in considering your problem.

9. As a result of our own analysis, and in the light of our own experience, the Gospel and the Magisterium [teaching] of our Church, we have discovered in your struggle the following positive elements which are urgently needed at present in our Mexican reality:

10. A) Your right to association, to participation in the decisions that concern you, to social justice, and to freedom, as well as to honest, responsible government administration (cf. Puebla '79, No 1272).

11. B) Your right and obligation to "freely create organizations to defend and promote your interests" (cf. Ibidem, No 1163), thereby contributing to the construction of a just, democratic Mexico.

12. As Mexican Christians, we esteem with all their value, those legal peaceful means that you have assumed in your struggle to attain your just demands under the present difficult circumstances in our country and in your union. This action is added to other efforts being expended at present on behalf of the people's organization and participation.

13. We have been touched in particular by your hunger strikes, and the extremes to which you have been led in them as a result of the insensitivity, intransigence, and even cynicism of certain union leaders in our nation.

14. You have thereby also made evident once again the lack of respect for life on the part of the system in which we find ourselves, aggravating the hunger of the majority of the people. At this 12th Meeting, we have again sadly witnessed its mechanisms for death, foisting the high cost of the crisis on the Indians, peasants, workers, and unemployed, as a burden.

15. We have confirmed the authenticity of your hunger strike, and you may rest assured that your sacrifice has not been futile. It has prompted us, per se, and other people of good will, to reflect on your motives. Fasting is an ancient Christian practice which, in addition to its ritualistic and penitential features, also has a clearcut sense of censure.

16. Nevertheless, after over 250 hours of fasting, and in view of the deaf, dumb, and blind attitude of the authorities in charge, with acknowledgment and respect, we as Christians urge you fraternally to reconsider, from an ethical standpoint, whether it is rightful to maintain to such extremes this type of struggle which irreversibly jeopardizes the integrity of your health and even of your valuable lives.

17. We also encourage you to seek constantly within your own organization positions and mechanisms based on just, equitable participation, transcending any individual interest or manipulation, as well as to foster unity amid your legitimate union and political differences.

18. We hold in esteem the corrections that you yourselves have made in some of your methods of struggle that have caused inconvenience. And we urge you to be creative in the search for other types of action that will heighten the sympathy and solidarity of broad sectors of the people. In particular, we ask you to have, at all times and as a priority, a deepseated concern for the problems and needs of the majority of the people, with deep respect for their religious, cultural, and ethnic values, especially in the Indian communities which you serve.

19. We also wish to tell you that we, the thousands of Catholics attending this 12th National Meeting of Grassroots Church Communities as representatives, have felt stimulated by your witness, and we encourage you to persevere in the pursuit of just goals and legitimate means. And we call upon you to maintain a constant position of good judgment that will keep you from provocation and confrontation.

20. Let us together make efforts to build, with justice, a really peaceful and free society that will make the Kingdom of God more present among us.

Oaxaca, Oax, 8 February 1986.

Those responsible for the Message: representatives participating in the 12th National Meeting of Grassroots Church Communities in Mexico.

Responsible for the publication: Bartolome Carrasco Briseno, Archbishop of Oaxaca.

Peace Tied to Justice

Mexico City EXCELSIOR (STATES section) in Spanish 11 Feb 86 pp 1, 4

[Text] Oaxaca, Oax, 10 February--The bishops attending the closing of the National Meeting of Grassroots Church Communities, held in this city, agreed in asserting that, so long as there is no justice, there cannot be peace; hence, there are only dark storm-clouds of violence in sight for the coming elections for state governor, state congressmen, and municipal mayors in the state.

Bishop Arturo Lona Reyes, from the diocese of Tehuantepec, claimed that, in the southeastern part of the country, unlike the situation in the north, the left has become more strengthened by PRI's negligence than by any action of its own, "because the government party has kept intact the enclaves of the 'caciques'' traditional power; and therefore, the people, repudiating them, have to become affiliated with the alternative that will respond to their interests and aspirations for democracy."

He noted that, in view of this, it would be difficult for honest elections to take place, because the people will never agree to let their rights be trampled upon at the election polls.

He declared that certain evangelical sects are promoting preeminently political slogans in the Indian areas, and are seeking to divide the people, weakening their unity and traditions; and that, for this reason, the intervention of the federal and state government is necessary, before they attain their goal, undermining our roots and harming the national identity.

60,000 Starving Indians

Bishop Braulio Sanchez, for his part, reported that in the Sierra Mixe, the area where he has his diocese, over 60,000 Indians are suffering from hunger and putting up with the most ferocious "cacique" rule in memory.

He disclosed that, in this location, the hoarding of fertile land and the excessive felling of woods are carried out with complete impunity, and that the respective authorities do not consider themselves knowledgeable regarding it. Only a small group of families (such as that of Federal Deputy Mauro Rodriguez, which has become wealthy and kept the Indian population living under extremely poor conditions in a state of oppression) can use the land as they wish.

Bishop Braulio Sanchez stressed that the entire population of the Sierra Mixe is submerged in poverty and the victim of the political and economic control in one of the regions with an enormous potential in the form of natural resources, which are in the hands of "caciques."

2909
CSO: 3248/329

HUPER ARGUELLO VIEWS U.S. 'EMBARGO', IMF, MIXED ECONOMY

PM151231 Stockholm SVENSKA DAGBLADET in Swedish 30 Mar 86 p 5

[Interview with Nicaraguan Finance Minister William Huper Arguello by Leif Bergstrom: "Nicaragua: Toilet Paper is Hard Currency in War Economy" -- no date given]

[Text] Managua -- The twisting line outside the food store is long. The customers are waiting in the burning sun for a chance to buy a loaf of bread a few cordobas cheaper than elsewhere.

There is bread, but as in the case of other foodstuffs it has increased dramatically in price. Some 6 and 1/2 years after the revolution toilet paper and deodorants are hard currency. Panes of glass and car tires are almost impossible to get hold of. Industries have problems in finding replacement parts for their worn-out machinery.

The war against the contra rebels is costing this developing nation a great deal of money. It has created a wartime economy in Nicaragua, and the U.S. trade embargo is making the supply of goods more difficult.

Last year inflation was 300 percent. In January wages were increased by 100 percent and 3 weeks ago they were raised by a further 50 percent.

"The major problem is the war. It is impossible to analyze the situation without returning to this fact. The accumulated cost of the war, including economic losses in terms of the damage done and a reduced coffee harvest last year, was $2 billion up to last December," Finance Minister William Huper Arguello said in an interview with SVENSKA DAGBLADET.

He gave the reminder that at the International Court in the Hague Nicaragua has reserved the right to submit at a later date an application for damages from the United States for the losses.

Huper sits in the national palace which, when it was occupied by Eden Pastora, became a symbol of the Sandinistas' revolt against the Somoza dictatorship. But Pastora later defected and now leads one of the revel movements fighting against Sandinism.

Beside Huper there is a personal computer of U.S. manufacture. It was brought into the country by someone working at the Swedish consulate who helped the Sandinistas to design tax return forms on Swedish lines. But Huper assured me that the computer was delivered 2 years ago -- before the U.S. trade embargo.

The embargo was introduced last year, but the finance minister said that the U.S. boycott began earlier than that -- as early as 1983, when the quotas for U.S. imports of sugar cane from Nicaragua was cut from 60,000 to 6,000 tons.

The country has found other markets for its goods and it imports spare parts from U.S. subsidiaries around the world instead of directly from the parent companies. Shipping bananas to Belgium now costs more than shipping them to the United States in the past, and the price of imported goods is rising. Thus the Nicaraguan economy is being squeezed from both sides.

"The embargo has hurt us. But I think that the measure came at a time when Nicaragua was better equipped to survive it than any other country in Latin America. We had already succeeded in broadening and diversifying our trading relations. For example, in 1981 some 30 percent of our imports came from the United States; in 1985 this figure was down to 15 percent," Huper said.

The shortage of goods is more the effect of a shortage of dollars than of the trade boycott. The leftist Sandinistas tried for several years to stick to an unrealistic currency exchange rate. This gave birth to an unchecked black market. But last year a parallel rate was introduced with the government's sanction. This gives the country three different exchange rates. Every visitor to Nicaragua is forced at the airport to change $60 at the official rate of 70 cordobas to the dollar. The parallel rate is 900 cordobas. But the supply of dollars does not meet demand. The black market rate still exists and is as much as 1,900 cordobas.

"The exchange offices have a turnover of around $500,000 per month -- money over which we had no control in the past. We also believe that the black market exchange rate has risen less than it would otherwise have done, because the parallel course acts as sort of guide for it too," Huper said.

But the Nicaraguans who want to buy dollars at the exchange offices often find that they have run out of the green notes. The Sandinistas have introduced a system under which a customer's need of dollars is assessed.

Businessmen who need to buy raw materials or equipment abroad, Nicaraguans who have to travel abroad for medical care, and dentists who need amalgam are among the categories given priority. Others are reduced to using the black market, so a large amount of their money disappears to Miami for the purchase of goods in short supply or for a pleasanter life for the well-off.

"If we only bring in $350 million for our exports and we need $900 million to import the most necessary things, the sum does not add up," the finance minister said.

The country's foreign debt amounts to $4.5 billion. With the small amount of exports the country has, paying off the debt seems like a hopeless task -- a situation Nicaragua shares with other Latin American countries with different political systems. But Huper seems to face the issue calmly:

"It is impossible to pay off our foreign debt; the equation which could succeed with that piece of arithmetic simply does not exist. But it is not only impossible to pay it off; it is also impossible for the lenders to get their money back" [as published]

In its economic war the United States has prevented the Interamerican Development Bank, IDB from lending to the Sandinistas, and Managua has not even asked the IMF for a loan:

"We know what economic measures they demand before they will give a loan," Huper said, alluding to demands for belt-tightening which even conservative regimes find difficult to accept.

Like other Sandinistas, Huper assured me that the regime is determined to guarantee the continued existence of the mixed economy. Critics say that they see in confiscations and in the content of economic policy a trend in the direction of a purely Marxist economy.

The finance minister said that the majority of new investments today are made by the state, but that this does not reflect a hostility toward private initiatives. He said that the state's share of the GNP is 40 percent.

"We would also welcome foreign investments, but it is difficult to attract money to Central America today. If you had $1 million, would you bring it to Nicaragua?" he asked rhetorically.

Time after time he returned to what other politicians inside and outside the government and what ordinary people also have said to me: The country's future can only be built in earnest when the war against the rebels has been won.

How this future will look depends, foreign observers say, in part on how strongly Leninist the faction is which at that point has most weight within the Sandinista regime.

Huper said that Nicaragua is a developing country and that this means limitations.

"The economy has to rely on export-directed resources, mainly agriculture. It is impossible to imagine a Nicaragua filled with advanced petrochemical industry within the foreseeable future. But it would be better if we could manufacture finished garments instead of just the cloths."

He said that the country's leaders have studied development models from many countries. But he claimed -- like many people in positions of responsibility in developing countries -- that the government is seeking solutions unique to the country.

"We are very pragmatic. In economics you are forced to do what is within the bounds of possibility."

Foreign observers say that this is a new-found realism, that during its first years the regime lived beyond its means to fulfill some of the revolution's promises and extend health care and education. Last year there was a tightening in the economy. The result is a latent dissatisfaction which observers see as perhaps the greatest threat to the regime.

But they note that up to now the contras and the rest of the opposition have been unable to any extent to win any victories in the battle for public opinion on this or any other issue.

/12929
CSO: 3248/382

PSC PARTY ON SIGNING OF CONTADORA DOCUMENT

PA151643 Panama City ACAN in Spanish 1830 GMT 14 Apr 86

[By Filadelfo Martinez]

[Text] Managua, 14 Apr (ACAN-EFE)--The Nicaraguan Social Christian Party [PSC] has stated that the Sandinists' position of not signing the Contadora document as long as the United States helps the "contras" is designed to "make time" in order not to commit itself to a process of democratization.

An official PSC statement released today says that Nicaragua "is demanding" the "immediate compliance" of all of the provisions in the document for peace and cooperation in Central America proposed by Contadora (Colombia, Mexico, Panama, and Venezuela).

The statement stresses that this compliance must especially apply to the democratization of Nicaragua.

Last Saturday, Nicaragua agreed to sign, on 6 June, the regional peace treaty that began to be drafted 3 years ago "so long as before that date U.S. aggression against this country has ceased totally."

According to the PSC, the Sandinists in order to comply with the document, must open a national dialogue.

The dialogue, says the PSC, must be based on the peace proposal presented on 30 January by 6 of Nicaragua's opposition parties, including the Independent Liberal Party (PLI), a member of the Nicaraguan National Assembly.

"The refusal to sign the Contadora document by the Dnaiel Ortega administration appears to indicate that that government believes the Contadora Group's pacification process has ended," the Social Christians said.

The opposition party adds that [the Sandinists] "are gearing up, as on other occasions, to jump to a different forum, Guatemala's and the Central American Parliament, to continue to make time without a genuine desire to reach concrete commitments regarding democratization and regional peace."

The dissidents indicate that the Latin American democracies "must not allow" the vacuum produced by their lack of "efficiency and assertiveness" to be filled by "imperialist U.S. intervention."

"Nor should Latin America allow the definitive establishment of Soviet imperial power in Nicaragua."

The Social Christians welcome the world's solidarity with the struggle to establish "a Western-style democracy" in Nicaragua.

The members of the opposition acknowledge that "the world's democrats cannot struggle in isolation while the members of the communist world demonstrate solidarity with one another."

"We believe that support for disarmament and expulsion of the foreign imperial presence helps our peoples and helps us safeguard our sovereignty," the Social Christians maintain.

The Sandinist government warned last Saturday that Nicaragua "is being attacked by the world's most powerful imperial power (United States). No country would ever accept to disarm under these circumstances."

/8918
CSO: 3248/355

ETHNIC GROUPS IN EXILE FORM POLITICAL PARTY

PA040111 San Jose LA REPUBLICA in Spanish 26 Mar 86 p 3

[Text] Five Nicaraguan ethnic groups in exile have agreed to form the Social Democratic Unity Party [Partido Unidad Social Democrata--PUSDE] of the Atlantic coast, during a meeting held in Puerto Limon, Costa Rica.

The agreement was reached by leaders of the Miskitos, Sumus, Ramas, blacks and Creoles, "to struggle as a single party against Sandinism-communism."

Using the slogan "if we stay united...united we will win," they signed an official communique "to be distributed among the population of the Atlantic coast and the democratic countries lovers of peace and justice."

They also warned "all those persons who have negative thoughts, that this is not the time to continue manipulating the people of the coast, because we are not going to accept any more lies and abuses from them, we demand that they respect us, so that we can respect them."

/7051
CSO: 3248/345

BOLANOS: PRIVATE SECTOR CONTROLLED BY STATE

San Jose LA NACION (NICARAGUA HOY supplement) in Spanish 1 Feb 86 pp 1C, 3C

[Interview with Ramiro Gurdian Bolanos, member of Nicaraguan Democratic Coordination, in Costa Rica; date of interview not specified]

[Text] [Question] As a member of Nicaraguan Democratic Coordination [CDN], how do you view the fact that the Social Christian Party [PSC] is engaged in a dialogue with the FSLN [Sandinist National Liberation Front] without the consent of this alliance?

[Answer] The CDN has certainly criticized the PSC's participation in these so-called talks, but we have received detailed reports from the PSC and actually, there have been some talks at the Spanish Embassy, which I would not even call a dialogue, but rather an innocuous matter of no importance; it is just that the FSLN has mounted an international campaign to give the impression that it is carrying on a dialogue with the "opposition." We know for certain that none of that took place. We trust the PSC and believe that it will not get involved in any game. Those were some low-level talks.

[Question] But doesn't the fact that they took place at the Spanish Embassy have something to do with Spain's call for opening negotiations between the government and the opposition?

[Answer] We met with the Spanish minister of foreign affairs and he stated at length that the only thing Spain has done is to provide its embassy in case anyone wanted to talk, but that there has been no participation by the Spanish Government. He also put his embassy at our disposal for any future matter, but called special attention to this affair in view of the importance the FSLN has tried to give to it. We have even heard statements from government members such as Vice President Sergio Ramirez, but we know that absolutely nothing happened. On the other hand, we have heard very strong statements by the Independent Liberal Party (PLI) that the FSLN has no desire to seek a public resolution.

[Question] In view of the constant expropriations of recent years, what percentage of companies is really government-owned and what percentage is still in private hands?

[Answer] I believe that the FSLN is still putting out propaganda that 60 percent of companies are still part of the private sector, but we maintain that the private sector does not exist in Nicaragua, only in the black market.

More or less 50 percent of companies are government-owned and the other 50 percent is called the "private sector" by the FSLN, but we do not call it the private sector. It is true that we own those means of production, farms, factories and all the rest; but actually we do everything the government tells us to do. The government tells you what to plant, and if you don't plant it, the government tells you it will confiscate your farm; the government tells you what financing it is going to give you and that is what you get; the government sets the prices of raw materials for you, it even tells you if it's going to sell you raw materials; it gives you permission to buy a simple battery for a tractor or a tire for a jeep to be used on your farm. The government gives you a wage scale, but these are not minimum wages, rather they are maximum wages; there are 28 categories that tell you how much you must pay workers. The government sets the prices of all goods, both for export and for domestic consumption. The government is the major purchaser; so really then, what decisions are left for employers to make? When private enterprise exists, the good thing is that the individual uses his own initiative, he puts his ingenuity to work to see how things can be done better, but there it is impossible to put such ingenuity to work; the only thing to do is to use ingenuity on certain levels to see how to maintain a black market, but in general terms private enterprise does not exist. Fifty percent of companies are in the hands of the government and we other 50 percent feel we are emissaries of our own companies, thus private enterprise in Nicaragua is a myth. We are merely government administrators in our own companies.

[Question] After a short half-hour flight, you have gone from a totalitarian country in which repression is the order of the day to a democratic country in the midst of a colorful election campaign. How do you view this abrupt change?

[Answer] It is a great lesson you see here, you even see the banner of one party and the banner of another party flying from the same vehicle. I see it as a carnival of public-spiritedness. In the news media we see a constant campaign of all political parties, including the communist party, and actually this is even more upsetting: how is it possible for us to be so close and yet so far away? That is, so close in terms of distance and so far in terms of the system in which we live. I believe [it is good for Nicaragua] to be next to Costa Rica, because having a democracy bordering on a totalitarian country in which they are trying to establish a Marxist-Leninist republic, and have made many efforts to do so, I believe that the worst enemy of a Marxist system is democracy. Sandinism must also be very upset as a result of bordering on a country in which total freedom is enjoyed. We hope that many Nicaraguans living here, and we know there are a great many of us, are learning from this democracy for the future, when we will return to Nicaragua to put it into practice, since I am convinced that all we Nicaraguans will return to Nicaragua, because we are going to emerge from Sandinism--it cannot last because, in the final analysis, it is a regime that is doomed to fall--because the only alternative it provides is violence and I believe that now the entire world is aware of what kind of government it is. If the FSLN does not move quickly to try to provide political elbow room, and room for freedom, then really it has no other future except to fall.

[Question] What factors would be essential for you to begin to believe that the FSLN has begun a genuine liberalization of Nicaragua and what gratuitous concessions could there be in a tactical or false liberalization?

[Answer] I sincerely believe that the FSLN will attempt a tactical and false liberalization. Speaking for myself, the mere fact that Omar Cabezas was appointed chief of State Security instead of Lenin Cerna is indicative. He was said to be in New York at a meeting of poets and writers, and then came the announcement that he had been appointed chief of State Security. And so begins the impact of an attempt at deception abroad. We have seen that when they get into crises, they try to project an image of openness abroad, but that little game is going to end. We would consider some steps to be in the right direction if the FSLN were to take into account, for example, to begin with, the CDN document entitled "Free Elections, a Step Toward Democracy," the first point of which was separation of state and party. That implies that the army and police would be for Nicaragua and not for the party, that the Sandinist Neighborhood Committees (CDS) would not be an organ of the party. It implies that they should restore the media; it implies that they should give back BARRICADA, for even it is theirs, only because they stole it, it should be for the nation. We view favorably the independence of powers and that the Supreme Court should really function. For example, in Nicaragua, which is a country whose biggest problems are agrarian or political, Nicaraguans have no access to those two sectors, rather there are the anti-Somoza People's Courts on one hand and the agrarian courts of Agrarian Reform on the other; both derive their authority from the executive branch of the government and not from the judicial. We have said that we farmers are treated worse than criminals, because if someone kills or robs or commits any common law crime, he can petition the courts three times; he has access to the judicial branch of the government and to the Supreme Court of Justice. Farmers are still under the jurisdiction of the executive branch. They would have to punish Mr Wheelock and send him packing. They would have to remove the minister of agrarian reform, because in any normal, ordinary country if a man is minister for 6 years and everything continues to be a disaster, he is removed. Other measures that we would view as positive would be: genuine respect for human rights; respect for the church; freedom of movement and association, that is, all those basic requirements that exist in any democracy. But we are not going to be satisfied with palliative measures and, unfortunately, since the FSLN is incapable of providing such a genuine liberalization, any liberalization has to be false.

11915
CSO: 3248/321

'DEFINITION' OF PRIVATE PROPERTY URGED

Managua LA PRENSA in Spanish 20 Mar 86 p 6

[Text] The laws governing each type of private property in Nicaragua must be defined and delimited, so that all types may coexist harmoniously in Nicaragua's mixed economy. This is the view concurred in by various political leaders of different leanings.

Now that debate is about to begin on the content of Nicaragua's Political Constitution, it becomes necessary to take these viewpoints into account.

Presently, the Sandinist Government is asking the farming producers and the farm and city workers to double their efforts to increase production; but [the existence of] private property must be guaranteed.

Political leader Dr Eduardo Coronado Perez expresses his view as follows:

In Nicaragua, private property must exist with a social purpose, and [its rights] must be of a permanent nature, as is the case with cooperative, statal and personal property, but they must be defined to avoid mistakes.

The [property rights of] large-, medium- and small-sized producers must be fully guaranteed by legal provisions assuring them of economic, political and social stability; and they must be safe from arbitrary confiscations or interventions on the part of the state.

Only by increasing the national farming output will it be possible to stem the tide of inflation and speculation in the prices of staple products.

Referring to the question of private property, Dr Luis Rivas Leiva, secretary general of the Social Democratic Party, has this to say:

Socialist economic policy does not mean state economic power, but rather, on the contrary, allows the forces of the free marketplace to develop to the utmost possible; in this way, it facilitates the fullest possible effective development of the economy, and state planning is applied wherever necessary.

All economic power, whether private, mixed or statal, must be shared and must be subject to democratic controls, but, if agricultural development is to be advanced, the state must guarantee private property [rights].

The shortcomings the free marketplace may have do not necessitate its substitution, but rather the counteracting and correcting of those shortcomings, to avoid its self-destruction.

That is, public enterprises must complement the markets of private enterprises, to stimulate competition in those markets and avoid onopolies, and to offer goods and services not offered by private enterprise.

Lawyer Erick Ramirez Benavente, president of the Social Christian Party, expresses the following opinion with regard to private enterprise:

The measures promulgated by the Sandinist Government seek to develop a number of capitalist economic precepts in a country whose disordered, authoritarian and demagogic system does not permit their clear and orderly application.

The Sandinist Government is therefore under an obligation to guarantee [the rights of] private property in the agricultural sector, if agricultural production is to be increased.

This step must be taken immediately if confidence and security are to exist in the agricultural producer sector, which is the only sector that produces food for domestic consumption and foreign exchange through exports.

That is, if agricultural production delays are to be avoided, private, mixed, cooperative and statal types of property must be clearly defined.

9238
CSO: 3248/336

FOREIGN EXCHANGE HOUSE ANNOUNCES NEW PROVISIONS

PA232005 Managua EL NUEVO DIARIO in Spanish 22 Apr 86 p 7

[Text] The Exchange House S. A. has reported that as of yesterday, Monday, new regulations will be in effect for the public. According to the new distribution procedure for the sale of dollars and Central American and Mexican currency, 30 travelers, that is, Nicaraguan tourists, and 10 government officials traveling to other countries will be taken care of on Mondays.

On Tuesdays, 30 travelers and 10 business executives will be served; on Wednesday, 30 students studying abroad and 10 independent professionals will be taken care of; on Thursdays, 20 cases will be handled; and on Fridays, 30 businesses, institutions, and industries will be allowed to transact business.

The 60 travelers to be handled on Mondays and Tuesdays will be given a number for service beginning at 0830.

Sick people who have to travel abroad for specific treatment must present certification from their doctor or hospital where they have been receiving treatment.

The Exchange House will take care of business executives and government officials traveling on official business who present a letter from the business or entity they represent. Peddlers must present a valid, original permit from the Central Bank of Nicaragua.

Foreign Exchange Quotations

The dollar is being purchased at the Exchange House for 900 cordobas and sold for 950 cordobas. The Costa Rican colon is purchased for 17 cordobas and sold for 18 cordobas. The Salvadoran colon is purchased for 110 cordobas and sold for 115 cordobas. The Guatemalan quetzal is purchased for 270 cordobas and sold for 285 cordobas, and the Honduran lempira is purchased for 380 cordobas and sold for 400 cordobas.

Important Provisions

The Exchange House S.A. has also announced the other important provisions in order to meet the urgent need for foreign exchange of the APP [People's Ownership Sector] industrial firms, which are agencies of the Industry

Ministry. There is an agreement to sell them $100,000 monthly, or $25,000 a week, when warranted, for the purchase of spare parts for factories and equipment.

Likewise, travelers with tickets and expense accounts for travel abroad need a letter from the firm in question. The Exchange House may decide on such applications according to the availability of currency and priority policies, and specifies that this agreement will be applied to producing firms, preferably those involved with exports or items to replace imports.

It has been agreed that the Nicaraguan Chamber of Industries [CADIN] will be able to purchase $100,000 per month or $25,000 per week to meet its need for machinery and equipment spare parts in order to maintain continuous production. Emphasis is placed on the fact that all CADIN cases will also be subject to availability and priority policies.

/12929
CSO: 3248/384

PRIEST VIEWS SANDINIST TREATMENT OF CHURCH

PA130050 San Jose LA REPUBLICA in Spanish 7 Apr 86 p 6

[Text] The right to evangelize is being suppressed and the activities of the ecclesiastical hierarchy are being very much restricted in Nicaragua where the government expels all priests who identify themselves with the defense of human rights. From February 1982 until now, 17 priests have been expelled, all Catholic publications are being suppressed and masses cannot be broadcast on radio or television. This accusation was made by priest Bismark Carballo at the conclusion of a visit to Costa Rica to receive on behalf of Cardinal Miguel Obando y Bravo an award from the Pro-Democracy Association.

The priest listed the abuses that the Catholic hierarchy and the Catholic Church have suffered in Nicaragua, which is oppressed by a Marxist-Leninist regime.

[Carballo] The main problem is that in 1979 the church demanded that the Sandinist government respect the freedom to evangelize, but the government has always tried to restrict that freedom and has deprived the church of access to the media.

Since 1981, the government has prohibited the broadcasting of masses on television. Later, this prohibition was also extended to the radio. Afterwards, they confiscated the first issue of the bulletin IGLESIA, and on 1 January of this year they closed Radio Catolica.

There is continuous pressure on foreign priests. They are being threatened with expulsion from the country. There are also continuous threats on Catholic laymen who help the bishops. There is, basically, a hostile situation and we believe that the church is being deprived of its legitimate right to evangelize. We have clearly stated that we are not an ideological opposition; however, we demand freedom to evangelize.

[LA REPUBLICA] What activities were the priests who were expelled carrying out? What activities provoked the expulsions?

[Carballo] In the past 4 years, 17 priests have been expelled. Coincidentally, every time that the church raised its voice to defend the human rights of the Nicaraguans, priests were expelled. It was in February 1982 that the first expulsions took place, the reason for this was the church had defended the human rights of the Miskito Indians. On another occasion the expulsions took place because the church defended the conscientious objector rights of the young. Other expulsions took place when the church proposed a dialogue, and finally, when it defended a priest whose home had been turned into his prison.

[LA REPUBLICA] Has the church freedom of action or is this being definitely restricted?

[Carballo] Catholics represent 80 percent of the Nicaraguan population. This means that the church is a real force in Nicaragua. In spite of legal limitations, the church, assuming the risks, has exercised its rights and this represents the hope that it will be respected.

[LA REPUBLICA] Can you still hold celebrations such as the one for the Most Holy Virgin on 8 December?

[Carballo] Yes, but the government has tried to either eliminate them or to substitute them with nonreligious celebrations. It has been the people who have asserted their rights in this regard. We say that freedom of religion in Nicaragua is, more than a gift from the government, a right that the people have asserted assuming the risks that this implies.

[LA REPUBLICA] Will the basis for the dialogue proposed by the bishops be expanded? Will a statement be made in this regard in the next few days?

[Carballo] The Episcopal Conference is studying the facts. The bishops maintain their position in favor of a valid pastoral line such as the dialogue, because it is evangelical. (This dialogue implies talking with all the sectors in conflict, including the rebels.)

[LA REPUBLICA] How powerful is the "Popular Church?" What have been its effects on Nicaragua?

[Carballo] I like to distinguish between the Popular Church, the Theology of Liberation, and ecclesiastical communities because they are three entities and must not be confused. The Popular Church is a very painful reality because its purpose is to divide the church and it is at the service of an ideology, of Marxism. It is composed of a minority sector that claims to represent the Nicaraguan people, and which on behalf of the people tries to discredit the bishops and uses its evangelical analyses to serve Marxism. The rank and file ecclesiastical communities represent a Latin American endeavor that does not act against the gospel whenever it remains in communion with the bishops.

Regarding the Theology of Liberation, the Vatican has issued guidelines noting that it must not be detoured toward Marxism, a fact that implies that there is acceptance. I do not believe that one should be completely closed to that theology.

[LA REPUBLICA] Is there the possibility of coexistence between the Nicaraguan Marxist regime and the church if freedom of action is permitted?

[Carballo] The church has had experiences in other countries. Here, of course, it is not the church only who has to state its opinion, but the people. If the people accept the model, I believe that the church has no objection to coexisting with any ideology. But the basic problem is not coexistence with the church but whether or not the Nicaraguan people will accept the model.

Father Bismark Carballo, who was born in Nicaragua, studied in Mexico, Colombia, and Brazil, and works very closely with Cardinal Obando y Bravo of Nicaragua.

/12913
CSO 3248/387

DROP IN RICE PRODUCTION REPORTED

30 Percent Loss

Managua LA PRENSA in Spanish 22 Mar 86 p 5

[Article: "Rats Affecting 30 Percent of Rice Crop"]

[Text] Private sector producers have told the Nicaraguan press that, according to a study made by a British technician of the ICI of Central America, following a study made of a farm in Malacatoya, between 20 and 30 percent of rice production has been affected by the voracity of rats in the paddies.

The study was commissioned by the Government, in view of the fact that rats are reducing rice as well as sugar cane production.

The growers of rice and sugar cane had, for several years, been petitioning the Sandinist Government for poisoned bait with which to combat the rat plague, but for lack of foreign exchange the plan for combating the rodent was never implemented.

The agricultural chemicals company ICI of Central America submitted a report to the agricultural and livestock development authorities, which states that rice production has suffered a loss of 20 to 30 percent.

Following this study, the mentioned company is putting together a pilot project to fight the rat plague over the next several years.

The rice producers are hopeful that this campaign which is to be waged by the Government will succeed in reducing the rat population in the fields.

Supply, Distribution Problems

Managua EL NUEVO DIARIO in Spanish 24 Mar 86 p 7

Several rice threshers in the 4th Region are standing idle owing to the drop in production of this basic grain during the 1984-85 farming period.

This was confirmed by our reporters in the course of a trip through the region, where it could be seen that only heavy-duty threshers like the Alfonso Zavala located in Nandaime were being operated normally.

Meanwhile, the threshers located along the Jinotepe-Nandaime highway are practically shut down, including the Arrocera del Sur.

Of the mentioned threshers, the only one that is working is that of Alvaro Leiva, where Mr Alejandro Matus, the owner of the rice, reported that the little that arrives from Inversiones Nicaraguenses S.A., which operates in the capital, is being threshed on a weekly basis.

"Here, on a daily basis, we make every effort to work the rice we receive to supply the 3rd and 4th Regions.

"Our contribution is clearly very small, because the last harvest was small," adds our interlocutor.

Rat Plague

In this regard, Mr Matus told us that the production slump in this basic grain during the 1984-85 farming period was attributable to the rat plague, which it had been impossible to control.

He added that the plague was so intensive that as the crop was being gathered by the harvesters in Malacatoya, you could see the rats scampering away in groups of threes and fours, and they were showing up dead even in the bags of unthreshed rice.

For this year's harvest, the producers are taking timely action to combat the plague, and it is hoped that they will not do too much damage to the plants so that planned goals can be met.

Labor Shortage

Referring again to the threshing of the rice, he said that this work is encountering difficulties because of a scarcity of labor.

"You can see that there are barely a couple of persons working here, and there are no helpers because they refuse to work if you don't pay them from 250 to 3,000 cordobas a day.

"Something like that is happening also in the rice-drying yards. You can't find workers because most of them prefer to be involved in other activities; above all, in 'bisne' [business].

"So much so that even though many times, when there is sufficient unthreshed rice, we would like to advance the work, but we cannot do it because of a lack of workers," added our interlocutor.

Up and Down

On the other hand, Matus explained that threshing activity goes up and down depending on the amount of unthreshed rice received. "For example," he said, "today we are finishing up what we received from Inversiones Nicaraguenses S.A., to whom we are very grateful, because they made possible the supplying of rice to the 4th Region and, above all, to Carazo.

"As for the coming week, we have nothing, and much less for the Holy Week, so that we will have to await the next harvest," he said.

Matus added that Mr Jose Maria Vado, head of supply at MICOIN in the 4th Region, had cooperated closely in the supplying of rice.

Javier Briceno, administrator of the thresher, said for his part that in reality Leiva's profitable activity has declined in recent years because of production shortfalls.

"In previous years," he said, "we used to work here all day, and we turned out 500 quintals of milled rice; and today, we barely put out 250 to 300 quintals a day."

Meanwhile, Carlos Barboza, a producer, confirmed that the shortage of rice throughout the country is owing to the production shortfall for the 1984-85 growing season.

"One of the things that most affected the situation was the rat plague, above all in Malacatoya, where we have some 400 manzanas of land planted with this basic product.

"We the Arroceros de Carazo S.A. are combating this plague, because last year it reduced our harvest by 40 percent.

"We produce 70 quintals of unthreshed rice per manzana; and if it weren't for the rats, at this time we would be producing 80 quintals per manzana," said our interviewee.

Referring to the new prices of rice, Barboza told us that they are low with respect to production costs.

The price of a quintal of milled rice today is 3,750 cordobas, whereas before, it was 1,900 cordobas; but transportation is very costly today, owing to the rise in oil prices. Threshing costs more and the workers are demanding higher wages.

To conclude, the producer said that contributing to the current rice shortage crisis is the fact that the Rivas and Atlantic Coast farmers are no longer producing.

Formerly, production from Rivas was expected at about this time, and there was no problem; but they have stopped producing because it was not a profitable business.

COARSA Responds

Viewing the problem from another angle, COARSA [Rice Producers Association] has practically maintained its normal distribution to the channels established by MICOIN, according to a statement yesterday by Eduardo Marin, executive secretary of ANAR [National Rice Association].

Responding to statements made by Guillermo Bendana, director of ENABAS, to the effect that rice distribution has not been made because of failure to meet quotas on the part of the private producers, Marin stated that a goodly percentage of the planned distribution for the past 2 months has been met by them.

The executive secretary of ANAR stated that the producers have even delivered part of their quota for the current month. "We collect and distribute the rice daily," the producer asserted.

Two Problems

To fully clarify the situation, Marin showed a distribution chart for all the regions of the country. The chart shows that of 56,550 quintals planned for the month of January, 55,904 quintals were actually distributed.

He acknowledged, however, that in February the producers were only able to distribute 48,130 quintals (85 percent of planned distribution), because of work stoppages owing to lack of replacement parts for one of the threshers and to transportation problems.

Marin explained that, for the current harvest, the producer members of ANAR had planted 9,166 manzanas, from which they estimated they would obtain 339,300 quintals of rice, which would be distributed within 6 months.

MICOIN Diverts

However, because of the recent rat plague, the harvest is expected to yield much less than had been estimated, Marin asserted.

On the other hand, he pointed out that, if in Managua the producers have not met their assigned quotas, it is because the 4th Region's MICOIN is diverting the rice to other cities. "The capital's producers," said the ANAR executive, "are sending the rice to the 4th Region threshers because there are no threshers here."

To illustrate, he pointed out that, during January and February, 5,000 quintals were not distributed in the 3d Region because they had been delivered to Jinotepe.

9238
CSO: 3248/338

BRIEFS

INSSBI PENSIONS--The press office of the headquarters of the Nicaraguan Institute of Social Security and Welfare (INSSBI) has announced that the INSSBI is considering a new revaluation of pensions for retired persons in view of price increases, which took effect beginning this week, for most goods and public services. It was reported that if the Ministry of Finance approves the new revaluation, it will be based on the INSSBI's available resources, which include the contributions of insured employers and employees in addition to the allocated state budget. At present, the INSSBI pays 358 million cordobas monthly to 51,000 retirees as pensions. The lowest pension paid is for laborers, which is a minimum of 4,000 cordobas or about $4, the equivalent of a pension of 28 cordobas during the Somoza era. Since 1979 there have been 9 revaluations, the most recent of which was decreed in March of last year and paid retroactively in February of the same year. In this last revaluation, the minimum pension of recently retired teachers remained at 20,400 cordobas a month. The INSSBI paid two-thirds of the minimum salary in effect until last week, which benefits only retirees. [Managua LA PRENSA in Spanish 14 Mar 86 pp 1, 6] 11915

LABOR MINISTRY CHANGES--A series of internal changes is reportedly taking place in the Ministry of Labor to ease current socioeconomic conflicts and to find immediate and specific solutions for them through the placement of more effective managerial personnel. At least this is the view of Labor Ministry officials who, while revitalizing certain departments, are placing better qualified new personnel in posts requiring at least the presence of a professional. According to reports, the first internal changes included the appointment of Dr. Carlos Castillo Fletes as new departmental inspector of labor, replacing Angel Reyes, who became assistant of another office. Dr. Carlos Carrillo Navarro, formerly internal departmental inspector, has been appointed assistant departmental inspector of labor. The reports also state that some officials of the agricultural, construction, service and industry sectors of the Departmental Inspectorate will be removed to make room for professional and specialized personnel. The reports were announced by trade union leaders, who were notified by some Labor Ministry officials involved in unresolved disputes. It was also reported that an inspection program will be developed in construction plants in order to make revisions in wage scales, production incentives, labor standards and compliance by companies with the Labor Code. [Managua LA PRENSA *in Spanish* 11 Mar 86 p 6] 11915

PRESS OFFICES TO CLOSE--The presidency of the republic has ordered that almost all press offices of ministries and state institutions be closed. Only the press offices of the Health, Interior Trade, and the Agricultural-Livestock Development ministries as well as the Nicaraguan Water and Sewage Institute will continue functioning. The press offices of the Nicaraguan Institute of Social Security and Education will begin to close this week and those of the remaining ministries and institutes are expected to close during the course of this month. The newsmen who will be left without work will work for the government-run stations in the country's departments. [Text] [Managua LA PRENSA in Spanish 12-13 Apr 36 p 1

CSO: 3248/355 END

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Latin America Report

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LATIN AMERICA REPORT

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EL SALVADOR'S UNGO SUPPORTS GUATEMALA'S PARLIAMENT PROPOSAL

Guatemala City PRENSA LIBRE in Spanish 16 Feb 86 p 7

[Text] Guillermo Ungo, president of El Salvador's Revolutionary Democratic Front (FDR), described as positive Guatemalan president Vinicio Cerezo's proposal that a Central American parliament be formed.

The proposal contributes to the expansion of cooperation in the Isthmus, he said, inasmuch as it seeks not to divide countries into blocs, but to establish dialogue among them all as the solution to regional conflict.

Ungo's statement was published yesterday [15 Feb] by the Central American News Agency in a dispatch cabled from Mexico City. This dispatch further states:

"Nonetheless, Ungo stressed that a parliament performs a formal function and that, in view of the region's problems, it could serve as a measure that would complement fundamental solutions."

The president of the FDR--a group that is allied with the Farabundo Marti National Liberation Front (FMLN)--criticized Jose Napoleon Duarte's regime for not renewing talks, which, he asserted, are vital to achieving a political solution to the Salvadoran crisis.

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MEXICO DEPORTS UNDOCUMENTED SALVADORANS, GUATEMALANS

Guatemala City PRENSA LIBRE in Spanish 21 Feb 86 p 14

[Text] A number of Guatemalans and Salvadorans were deported from Mexican territory last Friday after they were caught by migration officials as they attempted to reach the United States. They were able to get only as far as the Oaxaca state line, where they were discovered by the Mexican police.

According to Fernando Perez Dominquez, the migratory services agent in this city, the 161 undocumented deportees were reported to have entered Mexican territory by crossing the Suchiate River. The sizable group were arrested in the migratory retention centers of Juchitan, in Oaxaca and Arriaga, in Chiapas. After their statements were heard, the Guatemalans and Salvadorans were taken to the border at Talisman, where they were deported to Guatemala.

Perez Dominguez reported that 1,460 undocumented Central Americans were caught in January, representing a 100 percent increase over the number of such apprehensions in previous months. He noted that the undocumented Central Americans succeed in reaching Mexico City, where they work for a while and then continue their journey toward the United States.

Meanwhile, 3,000 illegal immigrants were captured and deported along the U.S. border in El Paso, Texas, among them many Central Americans.

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CHILEAN-ARGENTINE INTEGRATION EFFORTS HIGHLIGHTED

Changes Noted

Santiago EL MERCURIO in Spanish 31 Mar 86 p C2

[Article by Gabriel Gonzalez Segovia]

[Text] Chileans and Argentines are working together harder and harder for progress. "We need each other." This was how the commander of the Beagle Naval District, Capt Hugo Bruna Green, described the integration efforts going on in the south. The potential offered by the Peace and Friendship Treaty that the two countries signed in 1984 has not gone unrealized. Authorities and tourists from the two nations cross the border often. Ships from the two navies sit quietly at anchor in Ushuaia and Puerto Williams. Chilean industries are interested in working on Argentine soil, and Argentines are showing an interest in importing timber, fish and shellfish from Chile. The Punta Arenas Foreign Trade Zone has decided to open up field offices in Buenos Aires and Rio Gallegos...Captain Green himself acknowledges that this is not all; a series of initiatives to hasten integration in the area are still in the works.

Furthermore, the face-lift that the southern region is undergoing is not limited to Chilean and Argentine towns. The last of the Yamanes are also joining in the development effort. While the women sell goods for Argentine australes in Puerto Williams, the men sail and traipse through the rookeries at Cape Horn in search of game. They left Navarino and arrived one day near Puerto Williams, in the town of Ukika, where they live in yellow and blue houses. Some of them now have television sets.

In addition, the government is giving the town incentives and fostering progress in the area: on Navarino itself, in the Patagonia, even in the Antarctic. In Puerto Williams a newly installed greenhouse provides the population with several produce items, while the reach of the national TV channel is extended there and money-exchange offices are springing up.

The article below describes the atmosphere and the living conditions in the area around the Strait of Magellan.

Past Differences Overcome

Santiago EL MERCURIO in Spanish 31 Mar 86 p C2

[Text] Puerto Williams--"After the signing of the Peace and Friendship Treaty between our country and Argentina, the spirit of the Chilean Navy in this zone is to permit as much integration as possible," said Capt Hugo Bruna Green, the commander of the Beagle Naval District.

He stated that "all of the rough edges from the past have been smoothed out" and that a series of initiatives are now taking shape that will provide for even closer ties of friendship and cooperation between the two countries.

He said that the Chilean Government is making arrangements so that entire families can settle on Navarino Island, in Patagonia in general and in the Antarctic; their mission is to exercise national sovereignty and enable these areas to develop: "We must make human settlements possible, and to this end industries could be set up there to provide job sources," he stated.

Visitors are struck by the tranquility of the region, which for many years was the object of an international dispute that was ultimately settled by Pope John Paul II.

Chilean and Argentine tourists regularly visit Ushuaia and Puerto Williams. Argentine citizens are traveling here to see the port's tourist attractions in spite of the fickle weather these days, with temperatures in the high 60's, the rain pouring down or windstorms blowing the roofs off the colorful houses.

High-level Argentine Navy officers are also visiting Chile. A few days ago, Adm Enrique Jorge Consentino, the top commander of Argentina's southern region, paid an official visit to Puerto Williams. He was welcomed by the navy's number one authority on Navarino Island, Commander Bruna, who also served as the aide-de-camp to Adm Jose Toribio Merino and as the commander of the destroyer "Portales."

Unity and Integration

Commander Bruna Green stated that "like Argentina, we want to bring about as much integration and unity as possible, which we are doing as a result of the Peace and Friendship Treaty that was signed with Argentina at a ceremony of far-reaching importance that was presided over by the pontiff. The rough edges belong to the past."

He recalled that a series of initiatives are taking shape to implement the treaty and that the bonds of peace are growing ever stronger.

Cooperation

"The prevailing spirit here in southern Chile and Argentina is one of real friendship and brotherhood, and the two navies are being mutually supportive. We realize that we need each here throughout this harsh territory. They need us and we need them," he stated.

Among the developments that evince the very close cooperation, Commander Bruna mentioned the assistance that the Chilean Navy has lent to an Argentine expedition that kayaked down the Beagle Channel to Cape Horn. Their course was monitored, and they were given weather reports and other information they needed to make their trip safer.

Development in Patagonia

As for the steps that Chile has taken to develop the Patagonia, he pointed to Law No 18,392, which grants a number of benefits to individuals who would like to settle there.

"This law makes possible the development of the region, which we could say had been abandoned, except for the loving care that the Chilean Navy has always given it," he noted.

The Executive and Legislative branches proposed the law to develop Navarino and the nearby Chilean territory, which includes Tierra del Fuego and the Antarctic province.

"Industries have all sorts of advantages for 25 years; there is no value added tax and no other taxes. In short, it is a foreign trade zone with more benefits than are granted in Punta Arenas," Commander Bruna said.

He recalled that Argentina took steps to help its southern region some 5 years ago, and Ushuaia, which used to have a population of 4,000, swelled to 22,000 inhabitants. "This is why our beautiful sister city has developed," he stated.

Today's Look

Almost eleven months have passed since the Peace and Friendship Treaty with Argentina was ratified (on 2 May 1985), thanks to the mediation of His Holiness Pope John Paul II, and the situation in the area is completely normal. "The atmosphere is one of the utmost calm," remarked Commander Bruna.

Vessels from the two countries are moored at their respective berths, both in Puerto Williams and Ushuaia, and the authorities are making a real effort to get to know each other.

Perhaps the prevailing situation around the Beagle can be summed up in this comment by a resident of Patagonia: "Nothing will happen now because we're friends with them (the Argentines)."

8743
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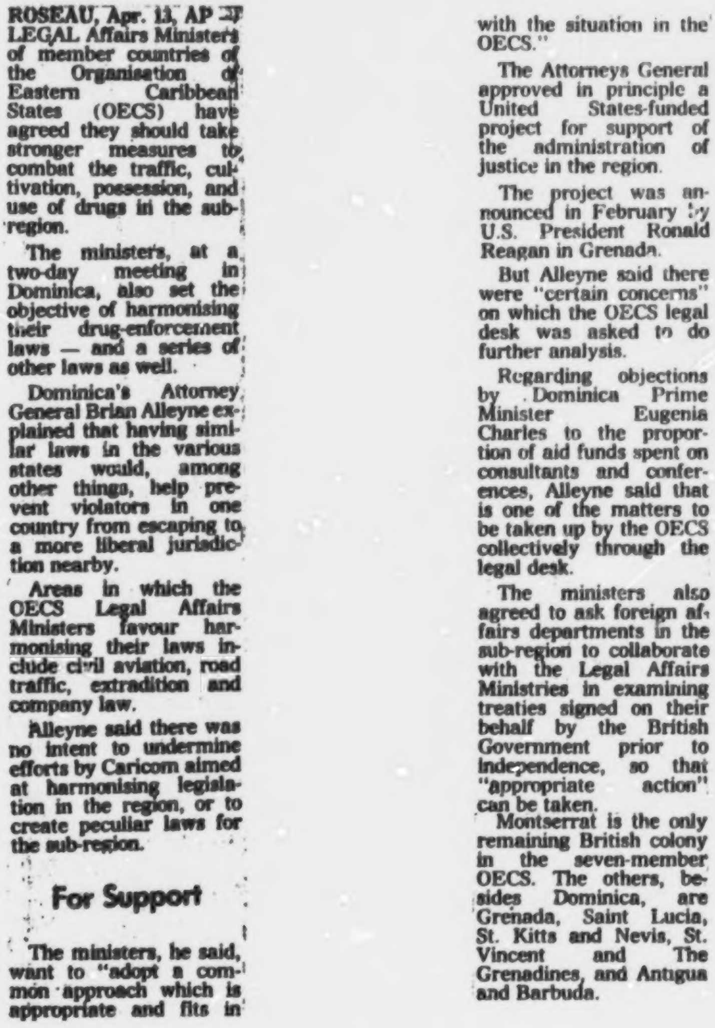
INTER-AMERICAN AFFAIRS

OECS MINISTERS OF LEGAL AFFAIRS DISCUSS COORDINATION

Port-of-Spain TRINIDAD GUARDIAN in English 14 Apr 86 p 5

[Text]



ROSEAU, Apr. 13, AP — LEGAL Affairs Ministers of member countries of the Organisation of Eastern Caribbean States (OECS) have agreed they should take stronger measures to combat the traffic, cultivation, possession, and use of drugs in the sub-region.

The ministers, at a two-day meeting in Dominica, also set the objective of harmonising their drug-enforcement laws — and a series of other laws as well.

Dominica's Attorney General Brian Alleyne explained that having similar laws in the various states would, among other things, help prevent violators in one country from escaping to a more liberal jurisdiction nearby.

Areas in which the OECS Legal Affairs Ministers favour harmonising their laws include civil aviation, road traffic, extradition and company law.

Alleyne said there was no intent to undermine efforts by Caricom aimed at harmonising legislation in the region, or to create peculiar laws for the sub-region.

For Support

The ministers, he said, want to "adopt a common approach which is appropriate and fits in with the situation in the OECS."

The Attorneys General approved in principle a United States-funded project for support of the administration of justice in the region.

The project was announced in February by U.S. President Ronald Reagan in Grenada.

But Alleyne said there were "certain concerns" on which the OECS legal desk was asked to do further analysis.

Regarding objections by Dominica Prime Minister Eugenia Charles to the proportion of aid funds spent on consultants and conferences, Alleyne said that is one of the matters to be taken up by the OECS collectively through the legal desk.

The ministers also agreed to ask foreign affairs departments in the sub-region to collaborate with the Legal Affairs Ministries in examining treaties signed on their behalf by the British Government prior to independence, so that "appropriate action" can be taken.

Montserrat is the only remaining British colony in the seven-member OECS. The others, besides Dominica, are Grenada, Saint Lucia, St. Kitts and Nevis, St. Vincent and The Grenadines, and Antigua and Barbuda.

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CSO: 3298/411

ARGENTINA

POLL REVEALS 52 PERCENT FAVORS ALFONSIN'S REELECTION

Buenos Aires SOMOS in Spanish 9 Apr 86 pp 18-19

[Passages enclosed in slantlines printed in boldface]

[Text] Two years and 4 months after the return to democracy on 10 December 1983, the most forward-looking politicians are already looking toward 1989, when Raul Alfonsin must end his 6-year term and turn the reins of power over to whoever wins the elections on the last Sunday of October. Actually, most of the government's supporters believe that he will be succeeded by another Radical, although others among them--/perhaps a more influential group because of their positions in the power hierarchy/--hope that Alfonsin will not transfer power even to another /correligionist./ They want him to remain in the Casa Rosada for another term, which would be 4 years if the Constitutional reforms are approved. The situation is simple: To run again, Alfonsin needs to have the Constitution amended. Moreover, he must arrive at a personal decision on the controversial /distribution of burdens/ in order to remain in office.

Beyond the debate (which is now restricted to political circles), the final decision depends, obviously, on the citizenry: Today, /52 percent of the residents of the federal capital and Greater Buenos Aires would welcome another presidential candidacy by Alfonsin,/ according to an opinion poll conducted for SOMOS by A&C. The survey involved 400 respondents in the capital and the 19 districts of the metropolitan area, and was carried out by means of a questionnaire that was administered at randomly selected points of concentration. The sample was representative overall of the population stratification that was revealed in the 1980 census. The margin of error is plus or minus 5 percent.

Several conclusions can be drawn from the poll. The principal one is that 52 percent of metropolitan residents (one out of two) want Alfonsin to run again, while another 40 percent definitely oppose that idea. One detail that repeatedly emerged was that Alfonsin continues to draw most of his support from women: 59 percent said yes, and only 30 percent said no. Among men, on the other hand, 44 percent responded yes to the candidacy and 50 percent no (Table 1).

A complementary (and to a certain extent /contradictory/) fact came to light when the pollsters asked the citizens if they would vote for Alfonsin: /34 percent predicted they would support him, while 52 percent said they would not vote for Alfonsin./ Another 13 percent said /they do not know/ what they would do, meaning that they can be placed among the /undecided/ (Table 2).

The contradiction arises among the respondents who accepted a second candidacy by Alfonsin while saying that they would vote for another candidate, or at least stated that for now they were not planning on voting for Alfonsin. This contrast also appears when the answers are broken down by sex and level of education. Thus, /although 59 percent of women agree that Alfonsin should run again, only 42 percent would back up that assertion with a vote./ A similar trend can be seen in the break-down of answers by educational level: The affirmative response of college graduates drops from 59 to 41 percent when an actual vote is involved, and grade-school graduates' support for the candidacy drops from 49 to 30 percent. The increase in undecided respondents is significant, however.

The other surprises came out when the citizens were asked whom they would support for president: Alfonsin (/21 percent/) and La Rioja Governor Carlos Menem (/11 percent/) came in first, followed by Intransigent Oscar Alende (6 percent), Peronists Carlos Grosso and Italo Luder, and /"no one"/ with /4 percent./ Francisco Manrique (2 percent), Peronist Antonio Cafiero (2 percent), and Deputy Marcelo Stubrin (2 percent) were all relegated to the lowest rank, the latter being /the Radical with the most support in this region after Alfonsin./ Although there were many /"don't know"/ answers in this segment (Table 3), the distance between Alfonsin and Menem is /great./ "The separate totals of the Justicialist and Radical votes are /almost even,/ so /if the Peronists vote along party lines rather than for individuals, this trend will probably hold. It will be up to the minority parties and the undecided voters, then, to break the tie,"/ concluded Esther Kaplan, director of public opinion for A&C.

Whether or not Alfonsin wins in 1989 will not depend on people's preferences today, but, very simply, on whether the constitutional reform will enable him to compete once again for the highest office in the republic without having to wait out an intervening term.

The debate surfaced very early, in the spring of 1984 when Radical Senators Hector Velazquez and Adolfo Gass proposed a declaration urging the Casa Rosada to begin studies to reform the Constitution and thus permit the reelection of President Raul Alfonsin. The proposed reforms would also cut the presidential term from 6 to 4 years. The government, however, needed no such signal (some opponents regarded it as a /"trial balloon"/) to begin the studies: /"It is a matter that is always under study,"/ responded top officials elliptically.

The main leaders of the Peronist opposition dealt with the issue in various ways, but they essentially agreed with the need to /modernize/ our basic legal instrument. They would take a broader approach, however, rather than focusing on the length of the presidential term and reelection. For a few months the issue was on the /back burner,/ until the Radicals themselves began to come out strongly--with a few exceptions--in favor of Alfonsin's reelection in

1989. /"Neither the Radicals nor Argentine society can afford to waste a leader of Alfonsin's caliber,"/ is the firm opinion of leaders ranging from Cesar Jaroslavsky to the most reticent sympathizers. These partisan aspirations, however, clash with the words Alfonsin himself uttered on 3 November 1985, when he asserted that he would not remain in office /"a minute less or a minute more"/ than the 6-year term he won in 1983. Some of the president's closest advisers claim they have heard him say in private, /"I don't want to go through what Peron did."/ He is undoubtedly remembering that the challenges to the founder of the Justicialist movement in the 1950s were rooted in the constitutional reform that allowed his reelection.

The speculation began to subside somewhat in the second week of March, when he stated, upon instructing the Council for the Consolidation of Democracy to undertake a study of possible constitutional reforms, that the initiative /"should not include any modification of the length or terms of the mandate that the people have given me."/ The man in the street understood this to mean that Alfonsin /"does not want to be reelected,"/ and that the new constitutional provisions would apply only to his successor. But, . . . the Radicals are not content to have Alfonsin wait out a 4-year interregnum to return to the threadbare /"Seat of Rivadavia."/ They insist on noting that Alfonsin said only that the reform /"should not"/ include reelection. They believe that because he did not absolutely rule it out, /"if the party pleads with him, . . ."/

Table 1

Do you think it is all right for Alfonsin to run for president again?

Choices	Totals	Men	Women	Level of Education College	Secondary	Primary
Yes	52%	44%	59%	59%	54%	49%
No	40%	50%	30%	39%	36%	42%
Other	1%	1%	3%	2%	2%	2%
Don't Know	7%	5%	8%	--	8%	7%

Aside from the need to reform the Constitution, 52 percent of metropolitan residents think it is "all right" for Alfonsin to run for a second consecutive term. The opinions vary according to the sex and educational level of the respondents.

Table 2

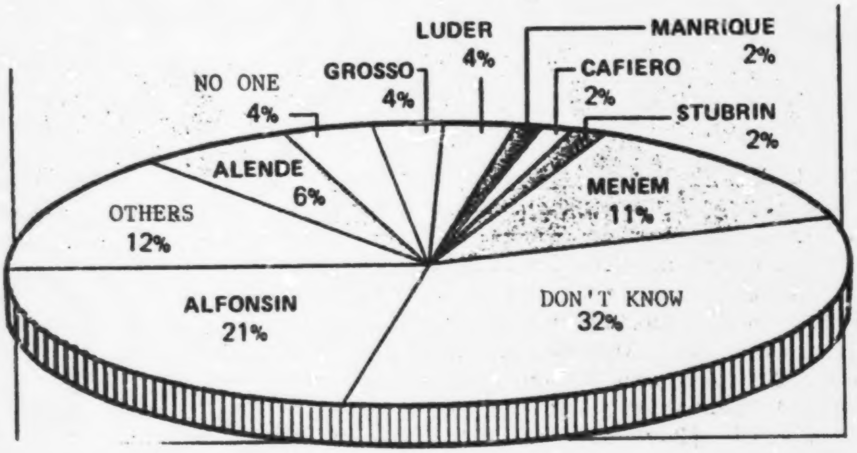
Would you vote for him?

Choices	Totals	Men	Women	Level of Education College	Secondary	Primary
Yes	34%	26%	42%	41%	39%	30%
No	52%	63%	43%	45%	48%	57%
Other	1%	--	1%	--	--	1%
Don't Know	13%	11%	14%	14%	13%	12%

With 13 percent undecided, 34 percent of the population would vote for Alfonsin today, while 52 percent would not. Most of the negative answers came from men and the less educated sectors.

Table 3

Whom would you support today for president?



Raul Alfonsin is the politician whom the most citizens would support for president (21 percent), followed by Carlos Menem (11 percent), Alende (6 percent), and Grosso and Luder (4 percent). Marcelo Stubrin has the second-highest ranking among Radicals. The majority of the respondents answered "Don't Know."

8926
CSO: 3348/513

SPECIAL REPORT EXAMINES JUSTICIALIST PARTY'S DIFFICULTIES

Buenos Aires CLARIN in Spanish 9 Mar 86 p 8

[Article by Antonio C. Morere; passages enclosed in slantlines printed in boldface]

[Text] The Peronist movement, which is being stymied by its own internal confrontations and contradictions, has begun an effort to achieve three simultaneous goals: prevent an irreversible schism, undertake a reorganization in as orderly a fashion as possible, and prepare to square off against the Radicals in the elections.

After the 3 November elections, the reformist sector (which later nominated /Carlos Grosso, Antonio Cafiero and Carlos Saul Menem/ as its leaders) launched a fierce attack in order to dislodge the national council headed by /Vicente Leonides Saadi/ from party power. That attack was supported by the union group known as "the 25," led by /Roberto Garcia and Roberto Digon,/ among others. The council, on the other hand, was backed by the 62 Organizations, whose leaders are /Lorenzo Miguel, Lesio Romero, Jorge Triaca, Diego Ibanez and other trade unionists./

The reformists' attack was interrupted, however. The position of the most "hardline" leaders, such as /Jose Luis Manzano, Eduardo Vaca or Jose Manuel de la Sota,/ was attenuated by the more conciliatory attitude taken even by the so-called "national spokesmen" (Cafiero, Grosso, Menem), or by those who, like /Deolindo Felipe Bittel,/ for example, called attention to the risk of a schism and began to seek ways of reaching an understanding with their internal rivals.

The reformists persisted in their determination to set up a nationwide internal faction (for which purpose they convened the plenum in the Norte Park on the 22nd and 23rd of this month), but they dropped their demand that the current party leadership be replaced. Along those lines, they took the initiative in calling for a "summit meeting," which the national council accepted eagerly since it implied some recognition of its authority.

Negotiation

The "summit meeting" marked the beginning of the preliminary stage of the negotiations between the two sectors, and also heightened the risk of an immediate rift in the party. The reformists brought their well-known "package" of demands, which basically calls for a normalization process guaranteed to be "clean" in the four districts subject to intervention (Buenos Aires, Cordoba, Jujuy, and Rio Negro). According to this plan, once internal elections have taken place there, a national congress would be convened (the idea of "self-convening" was therefore tabled), and from there direct voting would take place to nominate the future leaders. In other words, the reformists continue to aspire to take power in the party, but through an orderly internal process. They are no longer trying to oust the "/Saadi/ leadership" in a traumatic process.

Certainly time was on the side of the "/Saadi/ leadership," which was even strenthened by the recognition of its "legitimacy" by the reformists. But the fact that the current council has assured its own stability to pilot the normalization process (even if it has to negotiate the instrumental aspects) does not guarantee that it will remain in power after the next party congress. /Saadi/ even claims that his resignation will be on the agenda at that congress.

Matter of Image

Of course, even while withdrawing, the "/Saadi/ leadership-62 Organizations" axis has its strategy; if it does not survive under the present conditions, at least it will have an impact on the future of the party. It is obvious that the first objective is to prevent the reformists from taking over the party, but for that purpose the axis must convey an image of rejuvenation and organization. It cannot be identified with "the mob." The fact that /Herminio Iglesias/ is no longer secretary general of the council is evidence of its desire to divorce itself from the recent past of the Justicialist movement.

The 62 Organizations basically view /Italo Argentino Luder/ as a figure who, because of his political prominence and his ability to remain aloof from internecine squabbles, would be able to assume national leadership of the Justicialists during the difficult period of its final institutionalization, once the party reorganization is completed. /Luder,/ who has declined many candidacies and party posts offered to him by the leaders, will surely accept this one on the basis of an election carried out according to organic and statutory norms.

Among the reformists, the matter of leadership and eventual candidacies for top party posts is somewhat more complex. /Cafiero, Grosso and Menem/ are potential candidates for national party leadership, and in turn, they are often mentioned in connection with the race for the presidency. /Menem/ has publicly come out in favor of both objectives, while /Cafiero/ must first prove himself in the difficult Buenos Aires elections.

In this way, even if the reformists should agree on a common strategy and a political proposal to unify them, personal rivalries may disrupt the development and influence of the faction. In this regard, Rio Hondo is an instance that concerns them; party power slipped through their fingers, and they were forced to resort to negotiations which ultimately led them to the defeat of the Santa Rosa congress, where the "/Saadi/ leadership" emerged.

Confrontation

Not a few party leaders are convinced that the current confrontation reveals an underlying problem: the presence of "two Peronisms." Those leaders are the ones who feel that the schism will come, sooner or later. Although a desire for unity apparently prevails at the moment (though it may not be interpreted as a unification or "flocking together") and the "summit" negotiations may lead to the establishment of a "modus vivendi" that will permit the normalization, the trial by fire is still the province of Buenos Aires.

In this district, the Reformist Front, encouraged by the results of the 3 November elections, believes it is entitled to impose conditions, or at least to reject the conditions it finds unacceptable. It also has /Cafiero/ among its ranks, and he is practically regarded as the obligatory candidate for the district. Buenos Aires reformists, moreover, take it for granted that there is no way /Saul Ubaldini/ will descend into the political quicksand and sacrifice his union leadership.

Within this framework, we cannot rule out the possibility that if no agreement can be reached on rules of procedure in the district, the Reformist Front will formalize its alliance with the Christian Democrats, the incidental strengthening of the Intransigents, and the already guaranteed support of "the 25," to relive the experience of the 3 November elections. And whatever happens to the Peronist movement in the province of Buenos Aires will have a direct and immediate impact on the rest of the country. It is safe to say that the unity or disunity of the Peronists will depend on what happens in the district of Buenos Aires.

Meanwhile, the strategy of the national council-62 Organizations in that province calls for the establishment of a pole equidistant from the aforementioned figures (/Cafiero and Herminio/), who are marshaling various leaders and factions, including /Lesio Romero, Eduardo Setti, Alejandro Romero, Carmelo Amerise, Jesus Gonzalez, and Diego Ibanez./ They are aiming in two directions: to compete internally with the reformists, or to take over the party if the Reformist Front decides to run its own candidates next year. The drawing up of separate slates should definitely be considered a possibility.

Trade Unions

Another controversial element that is affecting the Justicialist political apparatus is the confrontation on the union front. The idea of implementing the famous "third" of the "union branch" should definitely be abandoned for the upcoming internal elections. Such an agreement between "the 25" and "the

62" is unthinkable, given that they are fighting tooth and nail for political and union territory. If the alliance game does not change soon, "the 25" will be on the reformist slates and "the 62" will side with what has become known as "the orthodoxy."

Against the backdrop of these debilitating struggles, in which the trivial and the fundamental tend to become confused, the Peronists must regain their credibility among the electorate so that they can play an acceptable role in the upcoming contest, and more fundamentally, so that they can define their role as the principal force of opposition.

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DEFENSE MINISTER SEEKS TRAINING COOPERATION WITH FRG

Bonn DIE WELT in German 3 Apr 86 p 6

[Article by Guenther Bading: "Argentina Wants to Train Its Officers According to West German Armed Forces Model"]

[Text] Officer training, such as it is given in the West German Armed Forces, is to become a model for the reorganization of the armed forces intended in democratic Argentina. The new Argentine Defense Minister German Osvaldo Lopez--in office since February of this year--stated in a conversation with DIE WELT that the main purpose of his 5-day visit to the FRG was an exchange of opinions on the army's "reintegration" into democratic society. Yesterday, Lopez had a conference with Defense Minister Manfred Woerner during which the German side indicated its readiness to step up its training aid for Argentine officers in the future.

No Leadership Role

This cooperation is to be discussed in specific terms in Buenos Aires during Defense Minister Woerner's visit to Argentina at the end of May. Federal Minister for Economic Cooperation Juergen Warnke was received yesterday by President Alfonsin in Buenos Aires for an exchange of opinions at the start of a 3-day visit.

In addition to his visits to the West German Armed Forces--among others, at the Orientation and Indoctrination Center in Koblenz, the Command Academy in Hamburg, the University of Munich, and the 24th Armored Brigade--Defense Minister Lopez will also inspect the Blohm + Voss and Dornier enterprises. In talking to DIE WELT, the minister of course emphasized that there was no thought whatsoever as to any arms purchases by his country. "Like many other Latin American countries, Argentina in recent years greatly increased its armament expenditures." This, he noted, was accentuated even more noticeably under the military government since 1976 and reached its high point during the Falkland War in 1982. "At that time, 4.6 percent of the GDP were being spent for military purposes. We cut these expenditures back by more than half, to about 2.2 percent today."

In spite of its exposed position in the South Atlantic area, Argentina is not striving to achieve any kind of military and political leadership role, said

Defense Minister Lopez, who, prior to assuming his new office in February, was secretary-general of the administration of President Raul Alfonsin, a position comparable to that of the chief of the office of the chancellor in Bonn. "Argentina believes its role to reside above all in preserving peace in our region. It proved its peaceful intentions when it signed the treaty with Chile (to settle the conflict in the Beagle Channel) and also when, during the conflict with Great Britain over the sovereignty questions in the South Atlantic, it concentrated exclusively on negotiations." The defense minister emphasized that his country is not tied to any of the big military blocs.

"A Western Country"

Said Lopez: "Argentina is a Western country by virtue of its origin, its culture, its political attitude, and its philosophy."

The minister appealed to the Western countries and especially to the West German government to seek a "political solution" for the pressing problem of Latin America's foreign indebtedness. Securing peace in Latin America, he indicated, presupposes improvement of the economic situation. "If there are no opportunities for growth, then there will be no opportunities for peace."

He termed Central America to be a frightful example where it has been found that a region that is left to itself is "vulnerable to destabilizing tendencies" when it is in economic trouble.

5058
CSO: 3620/648

BISHOPS ISSUE STATEMENT ON NATIONAL CRISIS

PY212348 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1907 GMT 19 Apr 86

/Quotation marks as received/

/Excerpts/ Buenos Aires, 19 Apr (NA)--Argentine bishops today stated that Argentina "is experiencing a crisis that is not limited to any given sector, but one which is an overall crisis." However, they noted that there are "positive elements" and called for the achievement of "a general national understanding" to solve the real problems that are affecting the country for the sake of the people."

At the end of the 25th plenum meeting of the Argentine episcopate conference, the bishops issued a statement in which they deplored "the existence of cultural expressions that have low moral and ideological levels" that seem to seek "the gradual weakening of the Christian essence of Argentine culture."

The communique, which contrary to what was expected did not include any statement regarding divorce, was issued during a press conference by the chairman of the episcopate conference, Cardinal Raul Primatesta and by Bishops Juan Jose Uriarte and Candido Ruiolo, at the end of the series of meetings that started on 14 April at the "Maria Auxiliadora" retreat house in San Miguel.

Regarding the specific difficulties that the country is confronting the church noted "the distressing economic situation of a vast sector of the population." It also noted that among the more distressing situations are unemployment and "various situations in the country that are worsened by floods and droughts."

The statements add that "the bishops have renewed their will to serve the church and the Argentine people in the firm belief that by expanding the nature of their task and their specific mission they will not only help to strengthen the faith and the unity of the body of the church but also the social body of our fatherland."

In the statement issued this afternoon the prelates note that "Argentina is going through a crisis that not only affects a given sector such as the family, social justice or aspects regarding human conduct, but an overall crisis."

They add that "this is a crisis that affects man and his culture, a crisis that concerns the being, the actions and the destiny of the Argentine man." It notes that "it is a crisis having ethical and spiritual roots; and that all other crisis stem from it."

The prelates add: "Therefore, there are a series of problems about which the Argentine people have been deeply concerned for many years."

In this regard they note "the distressing economic situation of vast sectors of the population due to the lack of resources; and unemployment which partly is due to the closure of job sources."

They add that "the problem of unemployment is more serious in some areas than in others" and they note "the alarming situations in the country which are worsened by the floods and droughts that have recently affected the area."

/12228
CSO: 3348/521

BRIEFS

RURAL ORGANIZATIONS ISSUE COMMUNIQUE--Buenos Aires, 23 Apr (TELAM)--The four major agriculture and livestock sector organizations that sponsored a strike on 21 April today issued a joint communique stating that they believe that the government will "quickly answer" their demands. In their communique the four organizations state that farm workers do not want to be considered as mere suppliers of budget resources, or as taxpayers who are forced to help overcome the poverty for which they are not responsible. The communique was issued by the Argentine Agrarian Federation (FAA), the Argentine Rural Confederation (CRA), the Agricultural-livestock Intercooperative Confederation (CONINAGRO), and the Argentine Rural Society (SRA). The four organizations stress that the government cannot disregard the wise and clear message that the entire country conveyed during the strike. As is proven by irrefutable data, the agriculture and livestock sector is a key factor in our socioeconomic life. It would, therefore, be hard to understand an attitude of indifference on the part of those who govern the nation, and who are expected to make wise decisions. The communique concludes by stating: We hope we have opened a new path. We will calmly await a quick response. It is now the government's turn. /Text/ /Buenos Aires TELAM in Spanish 1707 GMT 23 Apr 86 PY/ 12228

POLISH FISHING VESSEL FINED--Rio Gallegos, 17 Apr (TELAM)--The Polish fishing vessel "Likosar," which was caught operating in Argentine territorial waters without the appropriate authorization, has been fined $150,000. This information, released by the regional office of the National Prefecture, indicates that the "Likosar" is still tied up at the port of Deseado and will not be allowed to sail until the fine is paid. The "Likosar" was detained 30 days ago by a Coast Guard launch, when it was caught operating in Argentine waters, approximately 190 miles from the port of Deseado. Argentine authorities confiscated 14 tons of processed prawns which the vessel had in its hold. /Text/ /Buenos Aires TELAM in Spanish 1744 GMT 17 Apr 86 PY/ 12228

MARITIME NEGOTIATIONS WITH SOVIETS--Buenos Aires, 9 Apr (TELAM)--Pedro Trucco, Argentine undersecretary for river and maritime transport, today said that the transportation of grain resulting from Argentine-Soviet trade in 1985 generated freight charges totaling $120 million. The undersecretary revealed this information to journalists at the Public Works and Services Ministry at the end of the 2nd day of talks between Argentine and Soviet representatives in connection with the implementation of the agreement on maritime transport of goods traded between the two countries. Trucco said that nothing has yet been decided in the negotiations, but it is expected that the points of agreement will be broadened. /Text/ /Buenos Aires TELAM in Spanish 0244 GMT 10 Apr 86 PY/ 12228

SENATE APPROVES ARMY PROMOTIONS--Buenos Aires, 23 Apr (NA)--The national Senate today approved the promotion of 106 high-ranking army officers, thus ratifying the full list proposed by the commander-in-chief of the armed forces, Raul Alfonsin. Among the promotions to the rank of major general is current Army General Staff (EMGE) Deputy Chief Mario Jaime Sanchez, and that of eight colonels, who are commanding officers and will now become generals. In a secret session, the Senate overcame the differences which existed between the UCR /Radical Civic Union/ and Peronists senators regarding the list proposed by the executive branch. The UCR senators sought to approve the complete list, but the Peronists objected to some candidates who had been publicly denounced by human rights organizations. Nevertheless the Peronists voted with the UCR senators in the secret plenary session held this morning. The commanding colonels who are to be promoted to generals are: Humberto Esteban Ferrucci, Elvio Alberto Santarrosa, Juan Manuel Tito, Faustino Jose Svencionis, Raul Ricardo Mattiuizzi, Roberto Felipe Dominguez, Francisco Eduardo Gassino, and Valentin Osvaldo Venier. Quartermaster Col Juan Valentin Iriarte and Medic Col Juan Carlos Garimaldi were also promoted to the rank of general. The Senate also approved the promotion of 78 lieutenant colonels to the rank of colonel at the commanders cadre and that of 17 colonels to the next rank of the professionals corps. /Text/ /Buenos Aires NOTICIAS ARGENTINAS in Spanish 1705 GMT 23 Apr 86 PY/ 12228

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BRAZIL

SARNEY REJECTS SIX-YEAR TERM, REELECTION

Aluisio Alves Reports

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Mar 86 p 1

[Article by Carlos Chagas]

[Text] President Jose Sarney is not willing to stay 6 years in government office, as the present constitution requires, much less would he be willing to be nominated for reelection. He recognizes that the decision must be made by the National Constituent Assembly in 1987, but he remains faithful to the thesis set forth by Tancredo Neves when the Democratic Alliance was formed--the present term of office should be 4 years, with no reelection.

This information was obtained yesterday from Aluisio Alves, who was with the president on the weekend. The minister of administration thinks that even after he has retired from public life, Sarney will continue to play a substantial leadership role in the country, bearing in mind the reforms which have been promoted on the economic, financial and social levels, with undeniable success. If things continue as they have been, it will not be the president's decision whether he occupies this space--the situation will dictate his role.

In the view of Aluisio Alves, it is necessary to do justice to Sarney and to acknowledge his competence. It is not a question of luck, but of courage. The measures approved on the 28th of last month were the product of a lengthy process of decision-making which the head of the government directed personally. From what is known it appears that Sarney had decided to promulgate the "packet" on 1 January, planning to announce the changes in the cabinet and to take advantage of the occasion that same day. He failed to do so because of political complications which arose in connection with the PMDB, since some of the former ministers were fearful of provisional resignation before 15 May. Much earlier, however, detailed studies on what to do regarding uncontrollable inflation had been ordered.

In April of last year, when he moved from his interim status to being the successor to Tancredo Neves, the president asked Minister of Planning Joao Sayad to send a trusted aid as an observer to the countries using a shock-treatment policy to combat inflation. Persio Arida spent 2 months in Israel, and Francisco Lopes then visited Argentina. It was a question of finding solutions before the crisis took on greater proportions, unlike the situations in those countries, which were forced to apply drastic remedies during the heat of their crises.

As the January inflationary indices were as much of a surprise to the government as those in December, the president decided to accelerate the plans. With a small team limited to Dilson Funaro, Joao Sayad and Jorge Murad, plus a few handpicked advisors, he laid plans for acting as quickly as possible. He rejected the suggestion that use be made of the carnival period, believing it was possible to wait until 1 May. In view of the inflationary predictions for February, the 28th of that month was chosen. There were many nighttime meetings at the Alvorada Palace, with the press excluded, at the Ministry and with close friends, beginning on 15 February. On Sunday the 23rd, the general outlines of the "packet" were ready. Meticulously, Sarney mentioned his doubts, and his aides worked hard to clarify them, even into the early morning hours. What would be the effect on savings books? And wages? This final work on details took 2 days.

On the afternoon of Wednesday, the 26th, the military ministers were summoned to the Alvorada Palace, where they were informed that on Friday the 28th these measures would be announced. They indicated their full agreement, even though they knew that military wages would be affected. That night, the president summoned the consultant general of the republic, Saulo Ramos, who had not until then participated in the reform, to draft the decree law pertaining to him. This lawyer spent the early morning hours mobilizing advisers and laws, but failed to suggest any amendments. Straying far afield, he even asked for legislation on tourism, in no way involved in the package. Paulo Brossard, of the Ministry of Justice, also got into the act, as did Almir Pazzianotto.

On Thursday the 27th, the country began to seethe with rumors, but Aluisio Alves believes that some of them may have been encouraged by the Planalto Palace itself. "Funaro is resigning," and "Pazzianotto has asked to be released," it was being said. This was all a part of a tactic pursued to prevent anyone from getting to the heart of the matter. As a matter of courtesy, Sarney called Ulysses Guimaraes that afternoon and turned the conversation to drastic economic reforms, but they were not very well received. Thus it was not until the following day, Friday, when summoned to the Alvorada Palace again for morning coffee, that the president of the PMDB learned of the package. Two leaders of his party and two PFL leaders were also present.

Businessman Murilo Mendes, a personal friend of Sarney's, was summoned to Brasilia on Wednesday to meet with Dilson Funaro and Joao Sayad. The president wanted to know if the reaction of the business sector would be positive, like that of Mendes.

The entire operation showed capability, competence and courage, in the opinion of the minister of administration. The broadly favorable popular reaction placed Sarney in an outstanding position in the eyes of society. Particularly when, improvising and departing from the written text of his speech, he urged the people on Friday to serve as the monitor of the president.

President's Refusal

Rio de Janeiro O GLOBO in Portuguese 30 Mar 86 p 2

[Text] Brasilia--"I am not willing. I would not like to be reelected." This statement was made by President Jose Sarney, according to Luziania Prefect Orlando Roriz, the only politician to visit him yesterday at the Sao Jose do Pericuma country residence where the president is resting with his family.

In a talk with Sarney over luncheon, the prefect brought up the subject of the constituent assembly and suggested that the new constitution should allow the reelection of the president of the rpublic, but the president disagreed.

5157
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BRAZIL

MORE BALANCED TRADE WITH PRC FORECAST FOR 1986

Sao Paulo FOLHA DE SAO PAULO in Portuguese 13 Mar 86 p 27

[Text] This should be a very important year for the establishment, on realistic and lasting bases, of trade between Brazil and the People's Republic of China. Although, in 1985, Brazilian exports to that market grew 120 percent (at about $1 billion) over the previous year and the country achieved a positive trade balance of more than $400 million, this year Brazil will have to adapt to the new rules in trade relations with the attrative Chinese market. This is because, this year, after a period of expansionist enthusiasm, the Chinese have initiated their seventh 5-year plan, which is much more cautious, curbing the excessive imports--particularly of consumer goods--which were a severe drain on their foreign exchange reserves; the plan slows the pace of the great projects in process for the modernization of infrastructures and calls for equilibrium with its partners in the balance of trade.

From 30 March until 5 April, about 40 Brazilian companies will be demonstrating their products and services at Brazil-China Expo 86, in Beijing, and many deals will certainly be closed. However, it will be the responsibility of the business missions which will follow that event to implement the new system of negotiating with China. China can no longer ignore that foreign trade is a "two-way street." Anyone who wants to sell to China will have to buy from China or invest his capital in the Chinese market.

Two missions are already preparing to go to China in April, to investigate at close hand the immediate possibilities for doing business with the Chinese. They are the AEB (Brazilian Foreign Trade Association) mission, composed of businessmen from various industrial and service sectors, and a mission from ABDIB (Brazilian Association for the Development of Basic industries), led by Minister Luis Pedroso Vilarinho, from the Trade Promotion Department of Itamaraty, and comprising representatives of 10 companies: Bardella, Villares, Cobrasma, Confab, Faco, Mechanica Pesada, Promon, Mafersa, Ishikawajima of Brazil and Verolme.

More than Rhetoric

Omar Bittar, aged 55, is vice president of ABDIB. From 17 to 22 February, Bittar was in China, preparing for the visit by his organization's delegation, and he is convinced that there are very good possibilities for collaboration by Brazilian companies in the great projects in progress or planned for the next few years to develop the Chinese infrastructures. "Some 6 years ago, China initiated a program of reconstruction and implantation of major development projects. The United States and Japan have been the major suppliers of products and engineering services, but the Chinese government is really anxious to stimulate the South-South relationship and to develop its own technology, as Brazil did some years ago. This is not just rhetoric; it is the government's orientation," Bittar declared.

Based on the growth rates in bilateral trade and the countless visits by Chinese officials and technical missions to Brazil in the last 2 years, Bittar believes that "we are the ideal partners" for China. "There is no denying that the Chinese Government is trying to avoid further dependency on foreign technology, as is the case today with regard to the United States and Japan. Since Brazil is part of the Third World and has reached the most advanced technological stage within that bloc, it is of political interest to China," he observed.

On this trip to China, the ABDIB vice president received "logistical support" from Cotia Comercio Exportacao e Importacao, which has an office in Beijing and which, in Bittar's opinion, is the Brazilian trading company which is most familiar with the Chinese market. Bittar returned home filled with enthusiasm about Brazil's reputation with the Chinese. He met with representatives of the ministries of Economic Relations and Foreign Trade, Communications, Water Resources and Electric Power, Metallurgical Industry and Railways and with representatives of the state companies Machimpex (Machinery Import and Export Corp) and Citic (Chinese International Trust and Investment Company). Bittar said he had sensed that all of them had a "great interest in seeing Brazil play a greater part" in supplying the goods and services for the projects in progress in that country.

Direct Investments

The Chinese Government's decision to revise its investment programs, "significantly reducing imports of durable consumer goods, but maintaining--albeit at a slower pace--the projects for development of infrastructures," has not diminished brazil's possibilities for trade with China. "Large investments should be made in projects for energy generation and distribution, as well as the exploitation of mineral resources, particularly coal, which will call for considerable improvement in the transport structure--especially ports and railways--which is quite precarious. Brazil wants and is in a position to take part in these projects, both at the level of engineering services and in the provision of machinery and equipment," he said.

Bittar feels that China is now "actively engaged" in bringing in Western capital and technology, but in a very specific way: "The government prefers that foreign loans be invested directly." Because of this, the ABDIB vice president said that the Brazilian businessmen who will go to China in April will examine the possibility of forming "joint ventures" with Chinese companies for the transfer of technology or of creating technological accords for the training of Chinese technicians in Brazilian industries. "The purpose of the mission is to learn about the Chinese investment programs and to see what projects the Brazilian companies could participate in. The form of that participation will be decided on a case -by-case basis."

COTIA Expects to Triple its Exports

With the arrival, last week, of sample of Chinese metallurgical coal for analysis in the laboratories of COSIPA [Sao Paulo Steel Company] in Cubatao, Sao Paulo, and COSIPA's probable approval, within the month, of a trial importation of 22,000 tons of the coal, Cotia Comercio Exportacao e Importacao S/A will begin to reap the first fruits of its trade strategy in the People's Republic of China (a slightly different strategy from the traditional method of operation of a trading company): to identify products which might feasibly be placed on the Brazilian market, to diversify imports (the principal import item is still petroleum), thus opening the way for expanded exports.

In addition to the inclusion of metallurgial coal on the import list, the trading company is concentrating its efforts on expanding purchases of pharmaceuticals--which are already imported from China, but in insignificant volume--and rice (45,000 tons last year). Although it is an informal accord, Brazil and China reached an agreement to maintain equilibrium in their trade balance, which means that increased exports depend on increasing imports. Hence the effort [to promote Chinese products] is important for the placement of Brazilian products on the Chinese market.

Cotia, which has maintained an office in Beijing for more than a year and which exported about $50 million in goods to that country in 1985 (out of a total of $650 million in sales by Cotia to various markets), appears prepared to consolidate its position there in 1986, making China its second largest market, after Nigeria. "This year we expect to achieve $150 million in exports to China, or 20 percent of our sales, estimated at $800 million," said Joseph Tutundjiam, aged 26, Cotia's commercial director. And this total does not include negotiations in progress, according to Tutundjian. "This forecast is over and above the sale of products which Cotia traditionally sells on the Chinese markets, such as sheet and rolled steel, packaging paper, aluminum and pig iron," he added.

"Slightly Cooler"

Tutundjian returned from Beijing in early March. Although he thinks the Chinese market is "exceptional" and the rapid growth of Brazilian-Chinese trade is "unbeatable," he feels that it is important to bear in mind the conservatism which which the Chinese ministries are planning and defining priorities in their imports for this year. "The country had a very large growth in imports last year, creating a trade deficit that was cause for concern. Thus, in the first months of 1986 we are seeing a slight cooling off in Chinese trade with its partners. For example, automobile imports have been banned," he explained.

Although imports of some products, particularly consumer goods, have been restricted, the gradual substitution for these imports opens an interesting field of action for foreign companies, through the formation of "joint ventures" with the Chinese corporations. "The Brazilian businessman does not have much of a tradition of investing abroad," the Cotia director continued, "but it is a possibility which should not be ruled out, nor should 'joint ventures' with the Chinese for activity in Brazil. The Chinese are very interested in investing here in the production of the raw materials for its export products."

Tutundjian admits that, up to now, Brazil has only established itself as a "good and reliable" supplier of raw materials to the Chinese, but not--because the Brazilian exporters have not been aggressive enough, in his opinion--as a supplier of manufactured products.

Hence, he feels, the importance of the Brazil-China Expo 86--Second Exposition of Brazilian Products and Services, which will be held from 30 March to 5 April in Beijing. "There is quite a lot of room for the placement of Brazilian manufactured products. It will not be easy to win over the market, but neither is it impossible," he observed.

Special Accords

Cotia Trading's strategy for activities in China includes trade agreements with the large corporations which attend to that country's exports and imports. One of these agreements was signed with Machimpex (China National Machinery Import and Export Corporation), involving the sale of Brazilian off-road trucks (manufactured by Randon) and the purchase of Chinese-manufactured metal machine tools, and one with China Aerotechnology Import and Export, to promote the sale of its products (parts and equipment for satellites, planes, automobiles and trucks) in Brazil and other Latin American countries. In return, the Chinese corporation seeks out opportunities for "joint ventures" in China which could be of interest to the Brazilian businessmen. In addition, Cotia--which represents COSIPA on the Chinese market--maintains an agreement with Minmetals (China National Metals Import and Export Corporation).

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BRAZIL

OIL IMPORT COST DROPS TO U.S. $2 BILLION; RECORD PRODUCTION

Savings Expected

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Mar 86 p 27

[Text] Rio de Janeiro--Brazil should have net expenditures on oil imports of only U.S.$ 2 billion this year, although the estimate at the beginning of the year was U.S.$ 3.3 billion. The substantial reduction is due to the drop in oil prices on the international market. Net expenditures are the difference between the cost of U.S.$ 3 billion for imports of crude oil and byproducts and the income of U.S.$ 1 billion which will be obtained from fuel exports by PETROBRAS.

The commercial superintendent of PETROBRAS, Arthur Carvalho Neto, released the new figures pertaining to oil imports yesterday. They are based on an average price of U.S.$ 16 per barrel, obtained from the average price of U.S.$ 19 per barrel for the period from January to April, and the estimated average cost of U.S.$ 14.50 per barrel imported from May to December.

The drop in prices on oil imports will not however be reflected in domestic prices, so that the consumer will not benefit. The commercial director of PETROBRAS, Carlos Sant'Anna, said that the price of gasoline and other byproducts will continue unchanged, because the current oil stocks were established when the price of the product was higher on the foreign market, and also because when they were frozen, fuel prices were below their real value. In Sant'Anna's opinion, there should be a reduction in the prices of the byproducts used in productive activities, such as diesel oil, fuel oil and natural gas, and, as a counterpart, there should be an increase in the prices of gasoline and alcohol in order to discourage excessive consumption, which has already been seen for these fuels.

Panic

Oil suppliers are panicking, Sant'Anna commented, in connection with the current price situation on the international market, down sharply from December of last year, when Brazil was paying U.S.$ 26.78 per barrel. The average price dropped to U.S.$ 24.60 in January, to U.S.$ 20.87 in February, and U.S.$ 16.25 in March, and it is expected to be U.S.$ 13.90 in April.

The results of the last meeting of the OPEC, which ended Monday without any agreement among the producers, encouraged PETROBRAS to go ahead with its plans for imports, using Brazilian exports of manufactured products, services and even farm products which might possibly be characterized by excessively high export prices (in which production costs exceed income) as counterparts.

New PETROBRAS Record

Rio de Janeiro O GLOBO in Portuguese 1 Apr 86 p 18

[Text] Last weekend, PETROBRAS reached a record production level of 611,685 barrels of oil in a single day (29 March), a goal set 3 months ago. PETROBRAS has also announced that on 30 March, production totaled 611,526 barrels. The increase in production, averaging about 608,000 barrels per day, was made possible by the entry into operation of the new wells in the Campos Basin, accounting for 60 percent of the total domestic production.

The 608,000-barrel-per-day level was reached at the end of last December. PETROBRAS expects an average production this year of between 615,000 and 620,000 barrels per day, as compared to the563,000 barrels per day obtained in 1985.

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FUNARO ON PUBLIC SECTOR INEFFICIENCY, ECONOMIC STABILIZATION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Mar 86 p 36

[Text of interview with Finance Minister Dilson Funaro, by ESTADO and JORNAL DE TARDE, in Brasilia on 24 March 1986; first three paragraphs are ESTADO DE SAO PAULO introduction]

[Text] In an exclusive interview granted to ESTADO DE SAO PAULO E JORNAL DE TARDE, Finance Minister Dilson Funaro assessed the first 25 days of the economic stabilization program and said he has certain that March would show a negative rate of inflation. "When the Brazilian makes up his budget and pays his bills, he will see that he has more money left over than he did in the inflationary period,' Funaro declared, explaining his certainty that the public commitment to the program will grow, strengthening the new economy.

Funaro also voiced his confidence that Brazil will succeed in reducing the interest on the balance of the foreign debt; he said that the spontaneous resumption of foreign loans will reestablish the flow of transfers, obviating the painful renegotiations.

"The Brazilian society cannot go on paying for the inefficiency of the public sector," Funaro declared, announcing that the people themselves, who will receive more detailed and periodic reports on public expenditures, will be the principal watchdogs of the public finances, in defense of their own interests. It is also time, the minister declared, to democratize the capital of the state companies, by offering shares of these companies on the securities exchanges and privatizing the companies considered viable. Following is the text of the interview with the minister.

Society Will Control the State Companies

ESTADO: Minister, some analysts feel that the revision of Decree 2,283 ended by benefiting the liquidation industry. Do you agree with this assessment?

Funaro: In that first decree which we put out, the monetary correction was for 1 year. Thus, if the government, for example, made an agreement with COMIND [Sao Paulo Bank of Commerce and Industry] and Auxiliar would remain without the correction which we created on 19 November 1985. Then, in Decree 2,284, it fell within the law establishing the corrections. We went back to the original law, that of 19 November. So the second version was more rigid than the first. The deletion of "remained subject to monetary correction" created a difference of opinion. To define this, we are setting everything to rights in the regulation so there will be no doubts. We hope to finish drafting this regulation today (yesterday) for publication tomorrow (today), so we can remove all the doubts. The important thing is the principle of this government: we took out the monetary correction because the government had established the monetary correction for the financial benefit of the unproductive. This government, now, is not going to benefit them.

ESTADO: How do you view the home [loan] system in Brazil in light of the economic stabilization program?

Funaro: The housing system in Brazil is completely out of phase, between what the borrower pays and what he owes to the bank, over and above the BNH [National Housing Bank] mortgage. The difference was being paid by the FCVS [Wage Variation Compensation Fund]. Thus fund was already programmed with a deficit of 100 billion cruzeiros, for 10 or 15 years, or 100 trillion cruzeiros. That is a king's ransom of a debt. Actually, we have been meeting here with the credit and investment associations--for days and days--and also with the BNH and the Savings Bank. We are trying to find a formula so that the society will not have to pay--through increased taxes for example--for the lack of funds in the FCVS. We are starting with two problems: the SFH [Home Finance System, or BNH] had been exhausted and was not fulfilling its role of financing homes. Why had it been exhausted? Actually, it was impossible to put money back into this fund, given the whole recessive process. To have a system like this completely depleted means the end of millions of jobs. We simply cannot go on passively accepting these terrible deficits without finding real solutions.

ESTADO: Minister, do you think that the Brazilian public can continue to bear the burden of the inefficiency of the public sector?

Funaro: Actually, the Brazilian public cannot go on paying for this inefficiency. Everyone knows this. Today there is a very important movement within the government, in the state companies, against this inefficiency.

ESTADO: Will there be dismissals?

Funaro: The government is bound by the civil service personnel legislation which, in most cases, allows dismissal only for very serious misdeeds. Since June 1985, our strategy has been to avoid new hiring and this ban on hiring will extend to November of this year, by force of the electoral legislation. This way, we hope to reduce a roster of 300,000 people, who are employed indirectly by the state companies, by more than 10 percent, and cut the normal roster, which includes the civil servants directly employed by the administration, by 6 to 7 percent. This is one of the biggest movements to cut back civil service employment that has ever occurred in the country. Not to hire, which is one way of reducing the weight of the civil service payroll, is also a way of preventing great political [handouts], particularly because the government has no way of dismissing civil servants, since their jobs are guaranteed by statute.

ESTADO: What about the [hiring] contracts, Minister?

Funaro: In the matter of contracts, the government has no control whatever. We are conducting survey after survey. All the public companies make contracts and we do not have all these contracts registered. Now we are requiring that the companies deliver a report on their contracts to us so that we can cross-file the information, by computer, so that a single individual cannot be hired under two or three contracts at the same time. It is a crazy business.

ESTADO: Mr Minister, there is a great demand for the government to control its expenditures and to make these expenditures very clear. What is the government doing in this regard?

Funaro: One way to create clear control is to permit the public to exercise control. Thus, I intend to demand that the state companies publish an accounting of their expenses every 3 months, because this is to our interest. We are tired of opportunists who have bankrupted state companies, through demagogy, through job handouts, etc. And later, they have run for public office, even for the presidency of the republic. The case of VASP [Sao Paulo Airlines] and Sr Paulo Maluf is a blatant example. He took on 2,000 civil employees 10 days before the cutoff date for hiring prior to the elections. Fortunately, VASP can fire personnel because it is not subject to this kind of restriction in its statutes, which is not the case with the Bank of Brazil, for example. We have to institutionalize the public control over the government enterprises. This will prevent the enterprise from going off the path which was intended for it and beginning to spread its tentacles and, above all, from being used for political ends.

ESTADO: How do you intend to do this?

Funaro: By going public. By obliging the companies to publish more and more information. I am meeting with an internal committee to create the mechanisms by which the Brazilian public may be informed and may monitor the state companies. Because, this way, if there is a demagogue in one company or another, and he wants to exploit that company for job handouts, using public funds for his own political benefit, the public would immediately identify him. This is the key point.

ESTADO: How are you doing at keeping down the expenses of the state companies and the rest of the government?

Funaro: The investments are already being investigated by the SEST [Secretariat for Oversight of State Companies]. Through a dynamic system, we are monitoring their conduct through their balance sheets. The Secretariat of the National Treasury will have very real influence, because it will observe the flow of disbursements and is starting to discuss the cash flow of the state companies. There are control mechanisms which will enable the government to see, first, if the state companies are doing what the government wants; second, through this publication of accounts, the public will begin to observe what the government is doing. These are two absolutely essential phases of the process.

ESTADO: Do you feel it is essential to promote this financial housecleaning for a subsequent capitalization of some state companies?

What we are checking, really, is the effect of the monetary revision on the whole system of government revenues and expenditures, which is still not adjusted. We are aware that there will be some losses in government revenues, resulting, for example, from the reduction in the profits of the banks, which will pay a smaller income tax, and the reduction of the IPI [Manufactured Goods Tax] as a result of the reduction in the price of the products. On the other hand, the value of the money owing to the government was being eroded between the moment when the revenues were really generated and when the taxes were actually collected, and this erosion will disappear because now we have a strong currency. Moreover, we are no longer going to issue treasury notes. On the contrary, in March we managed a net redemption of 15 billion cruzeiros, and without inflationary currency emissions. What we are seeing is a highly important change in our economy.

Zero or Negative Inflation a Certainty

ESTADO: Minister, don't you worry about the survival of the microbusinesses and small companies that are being squeezed out in the negotiation processes?

Funaro: In recent days, there has been less radicalism regarding prices. Industry wanted to reset all its margins and business wanted to rearrange its bargaining room. There were 2 difficult weeks in which the small businessman was chased out of the purchasing departments of the big companies. They were really in a difficult position. Things are improving now and, today, I think there is already better understanding on the side of trade, which has already succeeded in concluding the major negotiations with the big companies, and in these times the big companies must act with more understanding toward the small businesses, because they cannot survive without them.

ESTADO: Is the government maintaining its position of not interfering in this process?

Funaro: We are keeping close watch, without becoming involved in arbitration. I think we must allow private enterprise to reach its own agreements.

ESTADO: Minister, if it finds the companies are having serious difficulties which could threaten their survival, won't the government intervene?

Funaro: There we will come in and help them out.

ESTADO: The banks have been hardest hit by the monetary reform. How is this sector adjusting? Are the banks strongly resisting the changes?

Funaro: The banks' profit will certainly be diminished. I think the bankers are absolutely convinced that this present system is much worse for them than the previous system, in which their profits were much greater. But they have all told me, several times, that this would not lead them to defend an inflationary process that would lead the country into a disaster. They know that, in fact, it was much easier to invest the demand deposits in the "open market," which cost them nothing and which was earning 230 to 250 percent per year, but they also knew that this process was almost uncontrollable. We were absolutely convinced of this.

ESTADO: There are already complaints that some companies are introducing new products, very similar to those they were already producing, but since they come on the market under different names and are not on the price freeze list, they are priced much higher than the original products.

Funaro: I have already heard some criticism about this. For a company to come out with a new product--refrigerator, television set, automobile--takes months and months of preparation. Also, companies seldom go for a year without launching a new product on the market. What we have to watch out for is if the company is trying to get around the price freeze. Normally, in a competitive market, no one can set a price very different from that of his competitors. In the United States, for instance, if a company introduces a product on the market at a price 20 percent higher than the others, it certainly won't sell. No one is going to buy it. In Brazil, with the price freeze, the same thing will be true. Thus, the new products will have to fall within the same price range as the products under the price freeze. The consumer is not going to pay more for a different color or a different pattern. If there are changes, naturally the CIP [Interministerial Price Council] will go into action and then we will make a comparison with the previous product. There is more. The technological change must always being the price down and not up. It can happen that a new product will come on the market and the following year it will be priced lower and the year after that it will cost even less.

ESTADO: Will there actually be deflation, or negative inflation, this month? How much will it be?

Funaro: We have to compile data on 250,000 items to determine this index, so it is very difficutt to make a reasonable estimate. I am certain that it will be zero or below zero. The behavior of the economy has made it clear that inflation has reached the freezing point. With the financial discounts, the index has remained below what it was on 26 February, when the price freeze was determined. Although some data have already been gathered and compared, we are still far from the 250,000 items.

ESTADO: Good or bad, there is an industrial policy in the country today, which has never been the case with the agricultural sector. Within the new economy, will there be an agricultural policy and also a supply policy, which is essential for it to function?

Funaro: We are drafting this policy in conjunction with the Planning, Agriculture and Finance ministries. We are also listening to the producers, because we want to make this country an agricultural country. Something like what Juscelino Kupitschek said when he announced that he wanted to be president again: to do for agriculture what he had done for industry; that is, to turn this country into a great agricultural country. And with a middle class, the people, gaining more purchasing power, it is the agricultural product which grows the most.

At the moment when income goes up a little, the lower class begins to to eat. Then, too, the government's social programs place great demands and are going to place great demands on agriculture.

ESTADO: Could you go into more detail about the second phase of the economic stabilization plan, the part where it is proposed to redistribute income and maintain growth?

Funaro: A primary factor in income redistribution is the end of the monetary correction, which is the greatest mechanism that can exist for concentrating income. Monetary correction inverted the process, favoring speculators instead of those who work and produce. The key is that the process will enable the society to benefit from the reduction of prices made possible by the technological advances, which have not existed in the country for a long time. Another important thing: the discussions between companies and unions will be on real wages in the data bases. We have already seen real increases of 10, 12 percent turn into 1 percent within 1 month. So this discussion is very important. The negotiations regarding the profits of the companies, to determine how much should go to the shareholders and how much goes to the workers--this is a very modern method, to discuss the distribution of earnings from the production. It should be stressed that wages aren't frozen and, through the growth of the domestic market, there should be opportunities to earn a higher wage by changing jobs. When this happens, it is a very efficient mechanism for increasing income.

ESTADO: Minister, what about the problem of the vegetable farmers, with the extreme and abrupt price fluctuations that have been impossible to control effectively up to now?

Funaro: It is extremely difficult to exercise any control over this sector by means of price schedules. The prices have been frozen by decree. The vegetable farmers exert terribe pressure on the price indexes. This is because of a distortion in the form of data collection and calculation of these indexes. If the price of a particular type of greens goes up 40 percent, it is this 40 percent which shows up in the indexes, without taking into account that, as soon as the price goes up, the housewife substitutes another vegetable; the volume sold drops to 10 percent, but this does not show up in the index, despite the reduction in volume.

ESTADO: When will the enthusiasm for the new controls wear off? Is the government afraid that the public will lose the commitment which it has demonstrated in this first month?

Funaro: On the contrary, all the calculations have demonstrated the opposite. Every time the Brazilian makes out his budget, pays his bills, he is going to find that he has more money left over than he had during the time of inflation. For this reason, the program will gather strength and there will be increasing commitment to it. The Brazilian will be confident that the currency is strong, that he can exchange this currency for the merchandise he needs, and he is going to be more and more committed to the plan. I'm sure of it.

ESTADO: How do you view the complaints against the supermarkets, precisely, those which belong to members of the National Monetary Council?

Funaro: I believe there was , in fact, a lack of internal control in these companies. I am absolutely certain that a few hours after the president gave the order for the price freeze, when we were in some supermarkets pointing out that the measure had been taken, these chains were changing prices at that very moment--small establishments, the big ones did not have the courage; they wanted to change the prices and were denounced by the officials themselves. What must have happened is that the price changes that were taking place there were stopped. There was, I think, a lack of supervision. No one would give an order to reprice merchandise, knowing that he would be subject to denunciation and arrest. Later, analyses of the SUNAB [National Superintendency of Supplies] proceedings bore this out.

ESTADO: Will the Income Tax table of deductions be revised?

Funaro: The system has not been changed. In the next few days the Federal Revenue Office will distribute a public clarification with regard to this matter and I am sure no one will suffer.

ESTADO: We are on the eve of completing the first month of the monetary reform which instituted the cruzado and changed the entire economy. Can you make an assessment of these 30 days?

Funaro: I think the merit of the program was that the entire population was committed to it. The plan was announced at a time when the Brazilian people were ready for reform. What is really happening in Brazil today--and I want to insist on this--is that the small problems are very small in light of the great reform which is making it possible for the government, together with Brazilian society, sector by sector, to decide what is best, how it should be done and in what manner. The government does not fancy that it is making a new society. What we are doing is sifting out what is archaic. With the public support which the government has today, we can confront the problems more easily. The monetary correction, which was applied to capital every month and to wages every 6 or 3 months, has been eliminated, and this has interrupted the concentration of income in this country. A year from now, or 2 years, the middle class will be the great economic and political bulwark of Brazil. It will form the great base for democracy in this society. It will become stronger. It is the middle class which sustains democracy.

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ENGESA PRESIDENT ON ARMS SALES ETHICS, MIDDLE EAST CLIENTS

Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Mar 86 p 6

[Interview with ENGESA head Jose Luis Whitaker Ribeiro, by Dalton Moreira, in Barueri, Sao Paulo; date not specified]

[Text] Even categorized by the United Nations Organization (ONU) as the fifth largest exporter of military equipment in the Third World, Brazil is the only country that has ethics on the international arms market, in the opinion of the president of ENGESA (Specialized Engineers, Inc), the major Brazilian weapons industry. Jose Luis Whitaker Ribeiro, aged 57, remarked in an exclusive interview with FOLHA that other countries (such as the U.S., for example) do not maintain that position, because they sell simultaneously to two nations at war, as in the case of Iran and Iraq; while Brazil sells its weapons only to Iraq and does not have trade relations with Iran.

At the ENGESA administrative headquarters in Barueri (a municipality in the western section of Greater Sao Paulo), Whitaker asserted that the international arms market has an annual billing of $800 billion, only $15 billion of which is divided among all the Third World countries, and the rest is associated with the United States and the Soviet Union. He predicts that the sales of his company's products this year will amount to $600 million.

Whitaker defended the independence of the Brazilian weapons industries, and criticized the American ones, whose "lobbies" exert heavy pressure on new countries in that market. He cited as an example the recent economic embargo that the United States attempted to impose on Libya (accused by President Ronald Reagan of acts of terrorism), despite the fact that that country's weapons industries do business with the Libyans. He criticized them commenting: "They can sell; we cannot. This is ridiculous. They can't give orders to us."

The president of ENGESA attempted to defend himself from the critics in the national weapons industry, claiming that those products bring dollars to the country. Moreover, he mentioned the example of ENGESA, which has aided the exports of other products by opening up markets as yet unexplored by Brazil. He also explained that the secrecy in closing contracts in that area has been required by the purchasers, and not by the Brazilian Government. But he admitted the need for bureaucracy in arms exports, to prevent the country's interests from being disregarded.

FOLHA: The Brazilian weapons industries have managed to penetrate markets previously considered to be other countries' areas of influence. As a result, international "lobbies" are beginning to take action against Brazil. How are they acting, and how are you defending yourselves?

Whitaker: By fighting; we have to fight, because such pressure is normal, and commercial. It comes generally from companies, and sometimes from governments, in instances wherein the industries are state-owned. It is a ground-rule, and we have learned to live with it.

FOLHA: Brazil is now categorized as the fifth-ranking arms exporter in the Third World. Is the trend one of raising its position?

Whitaker: Military equipment has a good market. The two leading producers and exporters are the United States and the Soviet Union. Both have a terrific production in the sector. Every year, that market manages to generate billing of about $800 billion, with nearly $15 billion attributed to all the other countries (except for the U.S. and the USSR). We are still beginners. The production of military equipment (and we would do well to make this clear) brings prestige and power to the manufacturing and exporting country. Thus, other countries react, with heavy pressure, in a twofold manner: commercially and politically. Brazil is now acquiring prestige on that market.

FOLHA: In 1976, President Ernesto Geisel's government decided to break off a military agreement that it had with the U.S. since 1952. In your opinion, has there been an accelerated growth in the sector's industries since that breaking of the agreement?

Whitaker: Yes; it may have been one of the most important things that happened for us businessmen. There is also the program to substitute for imports that the Brazilian Government has been continuing since the time of President Juscelino Kubitschek. They have brought excellent benefits for the national weapons industries. But there is no doubt that the breaking of the military agreement (during President Jimmy Carter's administration) had an obvious signficance in this respect; because our growth began following that period.

FOLHA: After the breaking of the military agreement with the Americans, did the government offer an incentive for the growth of those industries?

Whitaker: It is a mistake to claim that there is an incentive for this; quite the contrary: the credit terms that the national weapons industry receives from the Foreign Trade Department (CACEX) are the same as those for a company exporting a different product. Nor is there any subsidy either. The Brazilian Army is a very small client, because the Armed Forces purchase very little of our products. For example, ENGESA exports 95 percent of its production. In fact, there is no protectionist measure. What there is is a very good market abroad. Here at home, however, we are treated like any other business firm.

FOLHA: Why do you declare, with a certain amount of vehemence, that the market is very good abroad?

Whitaker: I want to make it clear that there is an intense demand for conventional type weapons all over the world. The great powers are not operating on that market any longer, because they are concerned about other types of conflicts, and hence have made their equipment overly sophisticated; for example for the construction of the large supersonic fighter planes, such as the F-15, F-16, Mig-28, and Mig-29. A war between Iran and Iraq, or a great likelihoold of a confrontation between Israel and the Arabs, or in other hot spots of the world, doesn't concern them. No one in those locations is exploding an atomic bomb, much less using powerful missiles. And for this reason, the industrialized countries are becoming increasingly less equipped. Hence, that space was more than sufficient for the Brazilian weapons industry, and has not failed to be an advantageous way of making money; because we manufacture equipment suitable for that type of conflict. It is the big slice of the market that we hold.

FOLHA: Which are the leading Brazilian manufacturers of equipment for those conventional wars?

Whitaker: ENGESA, EMBRAER [Brazilian Aeronautics Company] and, on a smaller scale, AVIBRAS [Brazilian Aviation] are the three major front-runners in international sales. The rest are distributed among several smaller industries that have a less sizable individual production which, when it is combined, is nevertheless large.

FOLHA: Many Brazilian businessmen usually complain that they have various problems with suppliers, and sometimes prefer to import the components for their products. Does that type of difficulty exist for ENGESA, which manufactures a totally national heavy tank, the ET-Osorio?

Whitaker: All the material used in the Brazilian combat vehicles is national, or could be made in Brazil. However, there is a difference in our case, which is the following: In a typical instance, such as the communications system of a tank, which is its radio, there are clients who already have an internal system installed, of a certain make, which could be British, French, or American. Let's say they purchase 200, 300, or 400 units of the Cascavel armored vehicle, and intend to integrate that equipment into an already existing system. Those clients demand that our tanks be provided with equivalent radios. We are forced to make a "draw-back" (an import devoid of certain equipment for processing or incorporation into a product to be exported) in order to equip them. There is this situation to which we are forced to submit. The Osorio and Cascavel tanks are now 100 percent Brazilian.

FOLHA: But is it sometimes cheaper to import?

Whitaker: Returning to the case of the radio that a certain country wants. I could manufacture it, but to fill a small order would be so expensive that it would be extremely foolish. The best thing is to contact that foreign producer, make a "draw-back," and reexport. Yet, if it is manufactured in Brazil, it is always more advantageous to procure it here; because when the time for financing comes, for CACEX, the government will not finance an import with reexporting. The financial package offered by Brazil (which is beneficial) and the tax incentives, are only for Brazilian products. If I import a certain component and reexport (which is possible), I gain no advantage. Furthermore, the national product is far more reliable than the imported one, and other countries purchase from us for this reason.

FOLHA: What are the predictions for sales of the Osorio heavy tank?

Whitaker: There will not be any sales yet, in 1986, because the Osorio went into head series manufacture recently, and is currently undergoing various technical test phases. Starting in 1987, it is due to enter the production line, with changes and adaptations for our potential clients. It should be stressed that equipment such as this has to undergo alterations in order to meet each purchaser's conditions. Its electronic equipment becomes different in each instance: In the Brazilian "theater," where you have trees and rough terrain, its use in combat would be on between 1 and 2 kilometers. Now, in a desert, where the temperature reaches 70 degrees centigrade, its "laser" telemeter for firing would be different, because it would not have the facilities for hitting the target without being changed. Each "theater" requires suitable equipment.

FOLHA: How do the weapons companies make the sales of their products abroad? Are the connections with the governments of the interested countries direct? Could you explain how this is done?

Whitaker: This is done through PNEMEM (National Police for Exporting Equipment for Military Use). There is an organ, comprised of the ministers from the economic area (Industry and Commerce, SEPLAN [Secretariat of Planning], and Finance), Foreign Affairs, and the military areas (Military Household, National Intelligence Service, Army, Navy, Air Force, and Armed Forces Staff). It is a committee headed by the president of the republic. When I want to make sales to a certain country, I have to contact that committee before setting up any negotiations. The entry way is Itamaraty, which submits the request to the National Security Council, and the latter sends it to those ministers for consultation. I inquire whether I can deal with a particular country. All the ministers have a say: those from the economic area assess whether the country is bankrupt, whether it is rich, and whether or not credit can be given. Next, it is the turn of the military area: the ministers discuss the strategic aspect, that is, whether or not it is in Brazil's interest to sell the weapons; they analyze whether it is a friendly country, whether it is in a state of distruption, and whether or not it is worthwhile changing the strategic balance. Then comes Itamaraty, which discusses the political aspect: let's say, whether or not the country wants to provide equipment to Cuba or to whomever it may be. After that plan has been approved, a document is issued, for the firm, signed by the president of the republic, who authorizes it to engage in negotiations.

Then, I go to the interested country and look at the "menu" (what they want to purchase, the size of the package, and how they intend to make the purchase: with credit, coal, oil, etc.). I make a photograph of what the country wants, bring it here, and through the same door there enters a requisition for the sale to the interested nation under the established terms; and it is judged again. Every round of this lasts 45 days, on the average. I am later authorized to close the deal with that government. However, it is only permitted to sell to established states.

It is a very complicated matter. Anyone selling a bicycle doesn't go through this. It is by no means easy.

FOLHA: Do you consider all that red tape necessary?

Whitaker: I deem it necessary because it could be extrapolated, in the case of firms which manufacture light equipment (rifles, submachine guns, etc.) that could be of use to guerrilla fighters. This would cause the country two types of problems: internal and external. The arms industry is extremely controlled in all its phases; there are military inspectors in every company. We are very carefully watched from the national security standpoint.

FOLHA: Despite all those difficulties, does it pay to be an arms manufacturer?

Whitaker: Sometimes people read, with amazement, statements to the effect that "for every Cascavel made many schools could be built." It so happens that the ones purchasing the tank are other countries. If you don't manufacture and sell, someone else will do that, and Brazil would be the loser. ENGESA alone employs 10,500 workers. Are we going to stop manufacturing weapons because of this? Let's say we leave; then what would we do with all those employees, and the labor that is also generated by the suppliers? To give an example, ENGESA produces only 15 percent of what it sells; the rest it buys on the national market.

The weapons industry is important: first, because it undergoes few financial crises; it has a moderate, stable market, whose purchasers pay in dollars. It is cyclical insofar as the political side is concerned: its client purchases a very large amount now, and can spend 4 years without making another contract, but we are forewarned. Most of all, any country needs defense. It would be ridiculous to think that it does not, because it would be left at the mercy of any enemy. The more disturbance in an area (the Middle East is a typical example) the more it needs weapons, either to defend itself or to command respect.

The market is worthwhile. The military equipment industry needs up to date technology. It must be independent, so as not to be subordinated to the Messrs Reagan and Gorbachev, when they try to say that you may or may not sell arms to one country or another. We defend and serve the interests of Brazil, and not those of others.

FOLHA: Last December, Brazil signed a contract with Saudi Arabia for the sale of a weapons package priced at $3 billion. The Arabs have always been considered potential clients of the French. The "lobbyists" from that country must have given you some response, and with a great deal of pressure.

Whitaker: We always feel pressure, and not only that: rumors are spread. Nevertheless, Arabia is an American and very captive market, as well as being difficult. There are but few members of the club, and the number of suppliers of military equipment to the Arabs is not large. We must bear in mind that when you are a weapons manufacturer, you begin to have influence in the country which is a purchaser of your products. Then, everyone chirps.

Our contacts are mainly with countries where there is a harsh, centralized regime, as in the Middle East, whether it be military or not. And they are with the top level. The one purchasing is usually the government elite or the decisive or decision-making element. So, we begin having a very close contact with the personnel who have decision-making power. While other companies deal with the second-level personnel, we talk with the top government echelon. A country which supplies arms has great influence on the purchaser for selling other things. If it wishes, it can use politics (as in the case of the U.S. and the USSR, which have demanded extremely aggressive terms for supplying their weapons); for example, if you want my tank, you have to station 600 persons in my embassy there. This is normal.

The great weapon that Brazil has is that it doesn't use political influence, but rather commercial interest. One example is the case of Iraq, where our country built a railroad, and sold cars; all of this done exclusively under the cloak of the weapons industry. When we went to Iraq for the first time, the only Brazilians there were the ones from ENGESA. The same situation has been repeated in other countries. The Brazilian Government knew how to take advantage of this. I think that it has had great skill. Itamaraty opened new embassies and there immediately followed trade promotions for the sale of other Brazilian products. This obviously infuriates any competitor.

FOLHA: Why is there so much secrecy regarding the closing of a contract for the sale of weapons? In those situations, when the newsmen are trying to find out about something, they usually end up hearing statements like "we have nothing to say." Where does the censorship originate?

Whitaker: The one who prohibits, based on a contract, is not the company making the sale, but rather the client, who doesn't want his potential enemy to know how many Osorios or Tucanos have been purchased. It is strategic for them, an advantage over the other side. All military contracts (without exception) include secrecy clauses which, if violated, automatically cancel the contract already signed. I purchase from you, but you cannot tell what I have bought, much less under what terms. Nothing can be said or disclosed. For me, it would be very beneficial if I could disclose my sales, because it would be additional advertising. But if I did that, I would be discredited.

FOLHA: How are the negotiations with the Libyans progressing?

Whitaker: They are good customers. They are good people, intelligent people; they meet their obligations properly. They are friends of Brazil. What exists is a negative aura created around Qadhafi, whom I know personally, and I can say that he is a highly intelligent and balanced person.

FOLHA: But despite this the US proposed economic sanctions against that country, which was accused of acts of terrorism.

Whitaker: They were not accepted. In fact, we purchase very little from the U.S., because they have that whole list of conditions for making their sales. The main one states that you are not independent to sell military products purchased from them to whomever you wish, without consulting them first. The other countries don't do that. If I purchase a certain product from Great Britain or France, I don't have to give them any explanations. Brazil is sovereign. No one can demand explanations from it. I purchase, I incorporate the product into my equipment, and I ship it anyway. It's my problem. The American does not do so; he demands that a formal request be made in order to be permitted to make the sale or not. The countries which do not do business with them could be the very ones with which Brazil might want to maintain commercial exchanges. There is the typical instance of Libya, with which we have normal diplomatic ties. Now, as for the embargo proposed by the U.S., it was so abnormal that the Europeans didn't accept it, because it is not fitting to impose a political sanction on a country when you have nothing against it. Now, am I going to do that just because you have asked me? It is advantageous for them, because the Americans sell their products to the Libyans. Brazil is more ethical about this than all the suppliers of military equipment in the world, because it engages in arms trade only with friendly countries. We don't sell to Iran, because we are doing business with Iraq. During the time of Shah Reza Pahlevi, Iran was the U.S.' property, and never wanted to learn anything about Brazil. We have ethics, and the others do not. The Americans sell to Libya, Iran, and South Africa. So they have no right to tell you that you shouldn't make sales to Libya. In those international politics, there is a very great manipulation of interests when the client is good. Then, that type of pressure arises: you are forbidden to sell, but I can.

Who Is Businessman Whitaker Ribeiro

Jose Luis Whitaker Ribeiro is a mechanical engineer trained at the Sao Paulo Polytechnical School. He specialized with a master's degree course at Howard University, in the U.S. He is founder and main stockholder of ENGESA. In addition to being a technical designer (he created the sketches for the Cascavel EE-9 and URUTU EE-11 armed vehicles), he is a successful businessman.

ENGESA was founded in 1958, and at the beginning of the 1970's, it began manufacturing truck hauling systems; and in 1972 it was already entering the international arms market. At present, it has 10,500 employees, with 1,400 at the headquarters in Barueri (in the western section of Greater Sao Paulo), including 40 with Ph.D.'s and 400 designer-engineers. It has seven subsidiaries, distributed in Sao Paulo, Sao Jose dos Campos (97 kilometers northeast of the capital), and Salvador. Its main products are the Cascavel EE-9, Uruti-11, and Jararaca EE-3 combat vehicles, and the ET-Osorio heavy tank.

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ITAMARATY WITHHOLDS COMMENT ON ARMS SALES TO LIBYA

Rio de Janeiro O GLOBO in Portuguese 26 Mar 86 p 20

[Text] Sao Jose dos Campos--An official delegation from the Libyan Government was scheduled to arrive in Sao Jose dos Campos on the 17th of this month to discuss closer relations with the country's main arms plants--AVIBRAS [Aerospace Industry Corporation], ENGESA [Specialized Engineers, Inc.], and EMBRAER [Brazilian Aeronautics Company]. The visit was canceled 10 days earlier, however, on the recommendation of Itamaraty [Brazilian Ministry of Foreign Affairs], which had been closely following the course of events between the United States and Colonel Mu'ammar Qadhdhafi's government. If the visit had taken place--according to sources in the Brazilian arms industry--our country would have had some additional difficulties in its diplomatic relations with President Ronald Reagan's administration.

The Libyans had a very definite list. They wanted to acquire $1 billion worth of arms that would have included Cascavel and Urutu tanks (manufactured by ENGESA) and rockets, bombs, and multiple launchers (manufactured by AVIBRAS). They are also assiduous buyers of military uniforms produced by Alpargatas. Incidentally, Libya was once the second-largest purchaser of Brazilian arms. It suspended its purchases 3 years ago when an arms shipment on its way to Nicaragua was intercepted in Manaus and Recife.

For over 2 years, Libyan delegations have been negotiating with Itamaraty and the Armed Forces General Staff to reestablish that trade and have even mentioned the Qadhdhafi government's willingness to finance the development of products of joint interest. The other side of that good will revealed itself a few years ago when Itamaraty had to reprimand the Libyan Government severely because a number of weapons bought from Brazil had been passed on, without prior consultation, to the PLO, according to information from Israeli intelligence agents. But the incident was soon forgotten.

Itamaraty declined yesterday to say whether Brazil intends to suspend its sales of war materiel to Libya in view of the situation of conflict being experienced by that country with the United States. The spokesman for the Ministry of Foreign Affairs, Minister Ruy Nogueira, said he had no comment on the matter.

The trade balance between Brazil and Libya for last year showed $7 million in Brazilian exports and nothing in imports. Although Itamaraty denies that Libya is among the largest purchasers of Brazilian arms, Ambassador Farag Mohamed al-Seiti announced last year that about 90 percent of Brazil's exports to his country consisted of war materiel.

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BRAZIL

FRENCH CONCERNS OVER INCREASING ARMS EXPORTS, CLIENTS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Mar 86 p 5

[Article by Reali Junior]

[Text] Paris--The largest contract for the sale of Brazilian arms abroad, valued at approximately $3 billion, is still being negotiated with Saudi Arabia and may be concluded rapidly despite the Riyadh government's recent denial concerning a successful conclusion to the negotiations between the two countries. Actually, the talks are continuing and are well advanced, according to statements by a number of French sectors that are beginning to worry about Brazilian competition. They feel that unlike France itself and other large arms suppliers, Brazil enjoys a certain advantage because it has no restrictions whatever and will sell war materiel to any country in the world except South Africa. Brazil is becoming a more sophisticated competitor every year in terms both of its sales strategy and of its production strategy, improving its products and becoming an important member of the restricted club of so-called merchants of death.

Weapons sales are now an important item on its list of exports. Some time ago, the French Government itself, headed at the time by Pierre Mauroy, was worried about the Brazilian offensive in Africa, chiefly because of the increasing presence of Brazilian war materiel in several countries. At that time, the prime minister's staff commissioned a study to determine whether Brazil was a competitor or possible partner as far as France, whose influence on the African continent was traditional, was concerned. Today there are many African countries using Brazilian-made war materiel that was acquired directly or through allies, as is the case, for example, with the Chadian rebels led by Goukouni Oueddei, who have been using Brazilian materiel supplied by Colonel Qadhdhafi's Libya.

Yesterday the newspaper LE MONDE assigned a prominent place on its first page to a lengthy article signed by Charles Vanhecke, its correspondent in Brazil, concerning the Brazilian war materiel industry's development and its sales. In that writer's opinion, Brazil has become one of the main sellers of arms in recent years, but its choice of certain customers such as Libya has created some tension between Brasilia and Washington. From all indications, President Sarney is not disposed to reduce that activity, which has been earning foreign exchange at an estimated rate of between $1.5 billion and $2 billion annually. The French correspondent discloses that delegations from all over the world now visit the "war plants" in Sao Jose dos Campos. Even the Brazilian Ministry of Foreign Affairs participates in that effort through its worldwide distribution of a deluxe album in four languages with all the details of the "Brazilian panoply of military equipment," for which there are now over 30 customers. The newspaper mentions the example of the tanks manufactured by ENGESA [Specialized Engineers, Inc.] that operate in the deserts of Libya and Iraq--with over 5,000 vehicles having been exported.

But the most surprising progress mentioned by LE MONDE is that achieved by EMBRAER [Brazilian Aeronautics Company] with its Tucano, an entirely Brazilian aircraft that is now part of several foreign Armed Forces.

Lastly, the article also discusses production by AVIBRAS [Aerospace Industry Corporation], which is responsible for the manufacture, under license, of missiles: the German Cobra and the French-German Roland.

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US $6 BILLION IN ARMS SALES UNDER NEGOTIATION

Rio de Janeiro O GLOBO in Portuguese 3 Apr 86 p 20

[Text] Sao Jose dos Campos--At this time, the Brazilian weapons industry has contracts signed for $2 billion in sales of equipment to 10 countries and is negotiating other contracts in excess of $6 billion. The contracts that have already been formally approved by the National Security Council should be met within 2 to 3 years and, by the end of this period, arms exports should amount to more than $4 billion a year.

Those predictions were offered yesterday by military sources connected with the National Program for Exportation of Military Materiel; they indicate that, at the turn of the century, the orders on the books of the country's principal arms industries will have reached $10 billion. To this end, some of these manufacturers, such as ENGESA [Specialized Engineers, Inc], AVIBRAS [Brazilian Aviation] and EMBRAER [Brazilian Aeronautics Company], will have to invest large sums of money--over $1 billion--to maintain the current projects and to design and implement new weapons development programs.

The sources consulted yesterday reported that, at the moment, AVIBRAS has the most orders--about $800 million over the next 2 years. ENGESA has commitments in the range of $600 million and EMBRAER has a little over $400 million in orders. Domestics sales to the Brazilian Armed Forces do not contribute even 10 percent of the total volume of expected sales. Several other industries also contribute to the country's exports of military materiel, supplying equipment for personal use, light arms, uniforms, first aid materials, communications equipment and replacement parts.

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BRAZIL

NO ARMS SALES TO SAUDI ARMED FORCES FINALIZED YET

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Mar 86 p 4

[Article by Roberto Godoy]

[Text] Every time a Saudi Arabian military official comes to Brazil, billion-dollar figures begin to leap out from the pages of our newspapers, which refer to huge contracts "signed" between the nation's weapons industry and the Riyadh government. Unfortunately, however, these billions of dollars exist only on the printed page. Not one single sale of Brazilian weapons to the Saudi Arabian Armed Forces has been finalized to date, although the businessmen in the sector say there are excellent prospects for obtaining large orders within this year.

Actually, there has been a long string of misunderstandings and misinformation regarding the negotiations, which began, strictly speaking, 8 years ago, when a group of officials from the Saudi Arabian Foreign Ministry showed an interest in the EE-11 Urutu amphibious tank. In 1984, some 4 years after of Foreign Relations Ministry had pointed out to Saudi Arabia that the trade balance had to be improved, a delegation led by Sultan bin Abdal-Aziz Al Saud, brother of King Fahd and minister of defense, came to Sao Jose dos Campos. A few days later. in Brasilia, the Saudi minister signed a protocol officially expressing interest in the purchase of military equipment and admitted, in a press conference, that the total could come to $1 billion, if it were possible to "obtain licenses for production in Jidda."

Soon after that, the Brazilian industries and the Saudi High Command initiated an exchange of information, followed by a long series of introductions and visits. In December 1985, however, an insignificant Arab-language newspaper, published in London and backed by a nephew of the Shah of Iran, reported that ENGESA [Specialized Engineers, Inc], AVIBRAS [Brazilian Aviation] and EMBRAER [Brazilian Aeronautics Company] had closed deals amounting to $3 billion with the Saudi Government. It was not true, but several newspapers reprinted the misinformation. The Saudi authorities broke off the discussions until they were convinced that the false report was not a lobbying tactic of the weapons industry to hasten the signing of sales contracts.

Now, another Saudi Arabian mission is in Brazil, seeking to define priorities for technological interchange and to learn the working methods of the companies, because when a supply contract is finally signed, the Saudis will require that part of the materiel be manufactured or assembled in its weapons plants. The research and development officials who are members of the Saudi delegation went to the Center for Aerospace Technology, but, according to an advisor of the general directorate, they did not sign any bilateral cooperation agreement. According to the same source, this phase is foreseen in the second half of this year. Maybe.

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DISTRIBUTION OF ARMS CATALOGUE TO 105 COUNTRIES INITIATED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Apr 86 p 5

[Text] A week after President Jose Sarney made an appeal for world peace to 40 countries, in a message read at the Disarmanent Conference in Geneva, the Brazilian Government is launching a new campaign to expand its exports of weapons and war materiel. On Tuesday, Itamaraty will begin to distribute 9,000 copies of a catalogue of Brazilian arms to 105 countries. Brazil is already the fifth or sixth largest arms exporter in the world, and the idea is to become, before long, the fourth largest, surpassed only by the United States, the Soviet Union and France.

The first proofs of the catalogue, with the English title Brazilian Defense Equipment, were ready yesterday. On Monday, the printing firm under contract should deliver most of the copies of the catalogue to the Trade Promotion Department of Itamaraty for immediate distribution. Even today, diplomats assigned to this area will plan for its distribution.

Most of the copies will go to Latin American and Middle Eastern countries--the primary target-markets of the Brazilian Government for weapons sales. Some 6,000 copies are in English and Spanish; 3,000 are in French and Arabic.

The National Security Council has information that Brazilian military materiel is to be found in 65 countries in the world. Itamaraty only admits to exporting weapons to a few more than 30 countries. In fact, it is suspected that a good part of the exported Brazilian arms--like those exported by other countries--are diverted to the black market.

The Brazilian Government, like almost all the other countries, only permits official sales; i.e. sales by the government. It is the highest military authorities who have the power of decision over sales to the 105 countries (where Brazil has an embassy or diplomatic representation) which will receive the catalogues. Some of the copies will be held in reserve in the embassies to be distributed gradually to interested nongovernmental parties.

This is the third time that Brazil has published an arms catalogue. The first one, 15 pages long, in which 14 companies presented their products, was launched in 1983. The second one, 84 pages long and representing 28 companies, was published in 1985. This last catalogue offers a few more than 800 different items for military use, produced by 35 companies, and it is 136 pages long. Still, this is smaller than the catalogues of other countries. England has been putting out a catalogue for 30 years; it is now in three thick volumes, showing everything from missiles and planes to underwear for soldiers. This third edition of Brazilian Defense Equipment has also given space to firms indirectly related to the arms industry. For example, Varig is advertising services to rehabilitate and recondition aircraft, while Wota, a Rio Grande do Sul firm, is showing its weapons-manufacturing equipment.

Another technical innovation: to facilitate use, the catalogue has three separate indexes (by type of item, name of product and name of manufacturer) and is divided into 15 headings, such as "planes," "electronic equipment," "optical products," "artillery" and so on.

The AMX plane and the Osorio combat vehicle are the two "stars" of the catalogue. Both are appearing for the first time on the international arms market. It is interesting to note that the AMX, a subsonic ground attack plane produced by the EMBRAER [Brazilian Aeronautics Company]-Aermacci-Aeritalia consortium, will only begin to be produced commercially this year.

The "Osorio," the principal and most modern combat vehicle produced by ENGESA [Specialized Engineers, Inc], is being advertised with two options: equipped with a 120-mm cannon of the smoothbore type (without grooves inside the barrel); for modern ammunition; and a 105-mm cannon with a rifled bore (with grooves), for traditional ammunition. This tank is similar to the German Leopard, with great mobility and fire power.

Through the catalogue, some Brazilian computer firms are also seeking to enter the sensitive international weapons market, advertising defense items that are not exclusively military. For example, Elebra-Telecon is offering a flight control system; both this firm and Digicon are offering various computers which could be used, for example, in artillery operations or in administration.

With this catalogue, Itamaraty hopes to expand Brazilian arms exports this year. The diplomats report that sales are increasing every year, but they cannot say what influence the two previous catalogues have had. The figures are more than imprecise; they are highly secret. For political reasons, the government tends to downplay them; for commercial reasons, the industries tend to overestimate them. The international agencies which specialize in the field talk about exports between $1.5 billion and $3 billion. Only one thing is certain: every year Brazil is winning markets away from traditional exporters, such as France, England, Italy and Israel.

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GENERAL CENTRAL ORGANIZATION OF WORKERS FORMED; REACTION

Central Union Organization Formed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Mar 86 p 45

[Text] Establishment of the General Central Organization of Workers [CGT] was the high point of the Second National Congress of the Working Class, which ended in Praia Grande last Sunday with over 5,000 union delegates in attendance. Joaquim dos Santos Andrade of the Sao Paulo Metalworkers Union was elected CGT chairman for 3 years by acclamation. Leaders of the Brazilian union movement were seldom seen at plenary meetings during the 72 hours of the congress, since they were waging a real battle behind the scenes to decide who would head the new organization. There were continuous meetings lasting until dawn. Shortly before the congress ended, the first list of names of those who were to make up the "unity slate" was announced. It was to include representatives of every shade of political opinion identified with CONCLAT [National Conference of the Working Classes]. But by the end of the meeting, a number of key posts had again been reshuffled following many compromises.

One of the most controversial posts was the one to be occupied by the chairman of the Sao Paulo Union of Electricity Workers, Antonio Rogerio Magri, who had been mentioned at the start of the congress as one of the probable candidates for CGT chairman. He wound up in charge of the Secretariat for International Relations, but only after campaigning for the post of secretary general and for one of the positions as deputy chairman, both of which were denied him by the trade unionists because of his ties with the U.S. union movement--chiefly the AFL-CIO, whose headquarters are in Washington.

One of the names to be included on the "unity slate" at the last moment was that of Arnaldo Goncalves (of the Santos Lowlands Metalworkers Union), a traditional militant in the PCB [Brazilian Communist Party], who wound up as second treasurer.

Women were also honored in the new workers organization with the inclusion of Goncala Cruvinel, who became a member of the supervisory board. Besides the posts of regional deputy chairman, three departments were established: one for retirees, one for women, and one for employees of state-owned enterprises.

With dissensions temporarily forgotten, Joaquim dos Santos Andrade of the Sao Paulo Metalworkers Union and Jose Francisco da Silva of the National Confederation of Agricultural Workers (first deputy chairman) were elected by acclamation by the 5,000 workers in attendance on Sunday afternoon at the Union of Textile Industry Workers, thus uniting the urban workers with the rural workers.

Present at the establishment of the central union organization was Minister of Labor Almir Pazzianotto, who had come "to bring the support of President Jose Sarney to the working class meeting in Praia Grande." Pazzianotto said the very fact that the leaders needed to spend several days together to come up with a slate expressing consensus demonstrated the high degree of "maturity and competence" among the trade unionists. For that very reason, he believes there will be a reunification of the Brazilian union movement that may include a rapprochement with the Sole Central Organization of Workers [CUT] of the PT [Workers Party].

It was not only in the drawing up of the "unity slate" that the dissensions became evident. They also appeared in the debates and voting that took place in connection with the theses proposed at this Second CONCLAT. The most controversial theses were those concerned with the foreign debt and the government's stabilization plan, both of which received special attention on Sunday.

Whereas the Communist Party of Brazil [PCdoB] advocated a pure and simple suspension of debt payments, the groups headed by the PCB, MR-8 [8 October Revolutionary Movement], and the PMDB [Brazilian Democratic Movement Party] proposed a moratorium. Tempers rose, and the debate was almost suspended by the presiding officers because of the aggressiveness shown by the plenary meeting in defending the various theses. Unhappy with the results, the officers took three simultaneous votes before declaring the issue settled. The winning thesis was the one calling for a suspension of payments. It won the votes of the majority in a plenary meeting where the PCdoB's predominance was made clear.

Another equally controversial topic was the economic package, which was approved by a majority of the 5,546 delegates, although with reservations as far as its wage aspect was concerned. It took at least 2 hours to debate the package, with nearly 10 speakers taking turns at the rostrum to support or criticize the reservations. Many of them were even called "Brizola men" because they denounced the "shock" freeze on prices and the wage adjustment for the past 6 months. Despite many boos, the package was ratified with reservations concerning the wage policy, which, according to the workers, must be improved.

The workers also approved the thesis on agrarian reform and the total rejection of Convention 87--approved by the ILO in 1948--which deals with union organization. In the opinion of trade unionists attending the Second CONCLAT, that convention cannot be approved "because it runs counter to union unity, being a disguised instrument for weakening the workers' struggle."

"Independent"

"A sad spectacle." That was how Antonio Pereira Magaldi, chairman of the USI (Independent Union of Trade Unions), referred to the establishment of the General Central Organization of Workers. "It dealt with everything except matters of interest to Brazilian workers. It was a case of wild petty politics, with everyone trying to gain the advantage over everyone else, and the result is that a breakup of the organization is inevitable."

Magaldi made it a point to say that "we, the independent unions affiliated with the USI, are neither the tools of political parties, as the CUT is, nor an international and political maneuvering force, as the CGT is."

At FIESP

In the opinion of Roberto Della Manna, coordinator of Group 14 at the FIESP [Sao Paulo State Federation of Industries], CONCLAT's transformation into the CGT will not bring about any changes in the relationship between capital and labor because, he says, the only thing that has happened is a name change.

The FIESP's deputy chairman, Paulo Francini, also said he did not see any change in the union movement as a result of CONCLAT's transformation into the CGT. He said CONCLAT's leaders had shown political sense in adopting an acronym that presupposes the hegemony of the worker movement. He said: "The fact is that we had two central union organizations before, and we will continue to have the same two central organizations. The only difference is that one of them has changed its name."

With Reservations

Establishment of the CGT is being viewed with reservations by business and union leaders in Rio de Janeiro. Even unions linked to CONCLAT's successor, an example being the physicians' union, "have doubts about what the results will be." The CGT, which is influenced from several quarters--the PMDB-PCB, MR-8, and the PCdoB--is accused by businessmen of being radical "at a time when the government deserves to be given a chance."

The chairman of the State of Rio de Janeiro Union of Bank Employees, Teophilo de Azeredo Santos, feels that the important thing is not the change of acronym but the objectives being pursued: "What I consider negative are the statements opposing private enterprise. In an open and well established democracy, a market economy is the best means to economic and social development. To give an example, Spain and France, both of which have socialist governments, do not hinder free enterprise."

Although his union is affiliated with the newly established CGT, the chairman of the Rio de Janeiro Metalworkers Union, Roberto Chabo, is skeptical of "Joaquinzao's" performance as chairman: "I feel that it was a partial solution, since my candidate was Jose Francisco da Silva. If 'Joaquinzao' lives up to expectations, the CGT may grow, but what worries me is his biography, which does not help anything, although his stands have improved in recent times." Chabo emphasizes that the choice of the chairman of the Sao Paulo Metalworkers Union as chairman of the CGT was a matter of politics: "It was an appropriate solution, considering Brazil's current union situation, since the choice was between compromise and a split."

New Chairman

Rio de Janeiro O GLOBO in Portuguese 30 Mar 86 p 30

[Interview with Joaquim dos Santos Andrade, newly elected chairman of the CGT; first four paragraphs are O GLOBO introduction]

[Text] Sao Paulo--The recently established General Central Organization of Workers (CGT), which replaces the former CONCLAT, displays in its leadership something similar to the makeup of forces that was put together to make the Democratic Alliance cabinet viable. It includes representatives of positions ranging from the left--such as that of the chairman of the National Confederation of Agricultural Workers (CNTA), Jose Francisco da Silva--to the most conservative--such as that of the chairman of the National Confederation of Industrial Workers (CNTI), Jose Calixto Ramos.

Included in that makeup is the chairman of the Sao Paulo Union of Electricity Workers, Antonio Rogerio Magri, who admits to receiving about $230,000 annually from the AFL-CIO, the central union organization in the United States, for training union leaders in Brazil, and the chairman of the Santos Metalworkers Union, Arnaldo Goncalves, who is a member of the PCB Central Committee.

Heading that fragile political roster is the veteran and controversial chairman of the Sao Paulo Metalworkers Union, Joaquim dos Santos Andrade, or "Joaquinzao." He considers it worthwhile to test once again his ability to reconcile the interests of the top leaders, an exercise tested and approved during his 22 years at the head of Latin America's largest union.

In an interview with O GLOBO, Joaquinzao says that doing so will not present a problem this time, either, and that the fact that the CGT is coming into being as part of a new economic reality will not adversely affect its dynamics, since the priority demands will be shifted to the social context.

O GLOBO: Isn't the CGT in danger of breaking up because of the complex interests of the forces it comprises?

Joaquinzao: The CGT tries to bring into its leadership all those tendencies that are active in the union movement, the purpose being to become a serious and competent interlocutor for the workers. Provided that we can keep partisan passions away from the CGT, the rest will be easy and achievable.

O GLOBO: The CGT is being established almost at the very moment that the [economic] package is turning 1 month old. Is the stand taken at the congress one of critical support?

Joaquinzao: It means that the union movement will remain vigilant, not only in monitoring prices, but also with respect to all those aspects that are important to the success of the package. We are going to keep an eye on the bankers, the businessmen, and the government itself. That attitude on the part of the CGT already provides an idea of how the first month has turned out. In other words, we are still waiting to see what will happen. We want the price freeze to succeed, but we also want improvements in unemployment insurance, for example.

O GLOBO: In short, you are rooting for the success of the package?

Joaquinzao: Not only I, but all Brazil, must root for it. The package must succeed, otherwise we will be headed for civil rebellion. Our contribution will be to monitor the way in which it is implemented and to promote broad dialogue with the government.

O GLOBO: What sort of changes in the union structure does the CGT propose?

Joaquinzao: It is necessary to democratize legislation and be done with intervention, to abolish the Strike Law, and change the structure of union elections. But one of our main proposals is to establish a system of nationwide collective agreements by occupational category. And that is where the CGT comes in. Following the example of what is done in the European countries, the CGT will have to negotiate on behalf of all of the country's unions.

O GLOBO: Getting back to the subject of the package, what is changing in relations between capital and labor?

Joaquinzao: If the union movement turned its direct loss into inflation, that was not because it wanted to do so, but because inflation existed [sentence not clear]. Now there remain thousands of issues on which we must win, possibly by going out on strike. The package is bringing changes and will alter the nature of demands. Working conditions, social improvements, job stability, a shorter workday, and so on must occupy our attention along with more urgent issues such as the suspension of payments on the foreign debt and agrarian reform.

O GLOBO: What action will the CGT take in connection with the constituent assembly? Will the CGT nominate candidates?

Joaquinzao: We do not have the idea that that assembly will be the solution to all problems, but it will tend to reflect the reality of the social and economic changes being experienced. From that standpoint, the CGT will play a very important role in that we will attempt to amend the election laws beforehand so as to prevent the abuse of economic power to the detriment of aspirations by candidates committed to the people. After that, we will have to run two candidates for each state.

O GLOBO: But is the CGT going to stop at that--in other words, is it not going to present its own proposal for a constitution?

Joaquinzao: We are going to begin rounding up jurists and lawyers to draft our proposal. What we cannot do is simply criticize the defects without presenting solutions. For that matter, the reason the CGT came into being was to present solutions.

O GLOBO: Were you a candidate for the constituent assembly or are you still one after being elected chairman of the CGT?

Joaquinzao: That is not up to me It is a decision that must be thought out and brought to maturity. My candidacy for the constituent assembly depends on the study to determine whether there is compatibility between the post of chairman of the CGT and that of deputy. My understanding at the moment is that there is not.

O GLOBO: The militants in the union movement mingle the party's general line of conduct with the specific issue of workers. Since you belong to the PMDB, don't you run the risk of doing that?

Joaquinzao: We are not going to place union policy at the service of a party, no matter which party that may be. If the CGT nominates a candidate in a particular state, his party will not be important. The CGT will not be a ghetto or an ideological patrol: it will be the central organization uniting all tendencies, which will participate freely.

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PFL CONFIDENT OF STRONG PERFORMANCE IN NOVEMBER ELECTIONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Apr 86 p 3

[Article by F. M.]

[Text] Brasilia--The top leaders of the Liberal Front Party [PFL] are confident of strong performance in the elections on 15 November. If the party is not successful in the gubernatorial campaign, it may "hitch a ride" in several states by joining primarily with the PDS [Social Democratic Party], which is a kind of adopted brother. The PFL is convinced that in the end, it will win significant congressional representation--in the Chamber of Deputies and the Senate.

As far as the elections for governor are concerned, the PFL by itself is not in a good position except in a few Northeastern states, primarily Bahia. Thanks to the (controversial) leadership of Minister Antonio Carlos Magalhaes, a former PDS dissident and now a new convert to the PFL, the party will be in a strong position as it goes into the gubernatorial race. Along with the PTB [Brazilian Labor Party] and what remains of the PDS, it will formally support jurist and former Senator Josaphat Marinho of the PSB [Brazilian Socialist Party].

In Espirito Santo, everything is moving toward an agreement with the PDS, and Elcio Alvares, a former deputy and former governor, will be the PFL's candidate for state governor. In Alagoas, former Governor Divaldo Suruagy, who has now resigned that post to make a bid for Congress, is urging Senator Guilherme Palmeira, a former governor, to run for governor. If Palmeira prefers to remain in the Senate--his term expires in Janary 1990--the other name under consideration is that of Federal Deputy Jose Thomaz Nono. The PMDB [Brazilian Democratic Movement Party] intends to run on its own track without an agreement with the PFL. Deputy Fernando Collor de Mello (a former Maluf supporter in the PDS) is the one working hardest to bring that about.

In Sergipe, the picture has gotten complicated. In last year's municipal elections, the PMDB and the PFL made an alliance and elected Jackson Barreto of the PMDB mayor of Aracaju with direct and conspicuous support by Governor Joao Alves of the PFL, defeating the group led by Deputy and former Governor Augusto Franco (PDS). The agreement called for support by the PMDB for

Antonio Carlos Valadares (PFL) in the race for governor. Jackson Barreto is struggling to live up to the agreement with Joao Alves. One wing of the PMDB, headed by Deputy Jose Carlos Teixeira, who is one of those most closely associated with Ulysses Guimaraes, is engaged in talks with the Maluf branch of the PDS concerning his own candidacy for governor.

In Paraiba, the PFL and the PDS are under the command of Governor Wilson Braga. Senator Humberto Lucena, former PMDB leader, is trying to come to an arrangement with the PFL on behalf of his candidacy for state governor. Wilson Braga is reported to prefer Lieutenant Governor Silva Junior as his successor. The PMDB may reach an agreement with the PTB, which is headed by Deputy and former Governor Tarcisio Burity.

In Santa Catarina, which is Minister of Education Jorge Bornhausen's turf, the PFL is the third-largest politicoelectoral force--behind the PMDB and Governor Esperidiao Amin's PDS. There is not likely to be any kind of agreement. Each party is reportedly going to run its own candidate for governor. In Parana, the PFL may join with PMDB dissidents under the leadership of Deputy Alencar Furtado in an agreement that would also include the PDT [Brazilian Democratic Party] and the PSB. Governor Jose Richa's PMDB is not considering an alliance with the PFL. Richa commented recently in Brasilia that in Parana, "thank God, we and the PFL are enemies." He later corrected that to "adversaries."

In Rio Grande do Sul, nothing has been decided for the moment. The PFL was considering communications executive Mauricio Sirotsky, who died a few days ago, as its candidate for governor. Two other names are also under consideration, one of them being former Minister Cirne Lima. Deputy and former PDS leader Nelson Marchezan is still under siege to reach agreements with the PFL, the PMDB, and the PDT. Sectors in the PMDB are rejecting alliances with the PDS, and that may lead Marchezan to come to terms with the PFL, if there is willingness on the part of leader Carlos Chiarelli.

On Minister Marco Maciel's turf--Pernambuco--the PFL has not yet made up its mind. An agreement with the PMDB's "natural" candidate, Miguel Arraes, does not appear easy. The PFL may attempt alliances with the PDT and the PDS. In Goias, the PFL will support the candidacy of Senator Mauro Borges, who has switched from the PMDB to the PDC [Christian Democratic Party]. The governor of Rio Grande do Norte, Jose Agripino Maia, is confident that the PFL will win with Joao Faustino as its candidate in a new confrontation with Minister Aluizio Alves' PMDB.

In Rio de Janeiro, Sao Paulo, and Minas Gerais, the PFL's situation is not yet clarified. The PFL in Sao Paulo is actually expected to go along with the candidacy of Antonio Ermirio de Moraes, thus joining with the PTB, the PL [Liberal Party], the PSB, and the dissident wing of the PMDB. The PFL's course in Rio de Janeiro consists of reaching an agreement with Nelson Carneiro's PMDB to confront Brizola. In Minas Gerais, Governor Helio Garcia and Minister Aureliano Chaves are trying to put together an agreement between the PMDB and the PFL, although each is meeting with resistance from his own rank and file. But the attempt may succeed.

The PFL in Mato Grosso will run on its own, since the PMDB has practically completed its slate. In Amazonas and Maranhao, the Democratic Alliance (the PMDB and the PFL) is expected to function, but in Ceara, Piaui, and Para, the PFL is leaning toward agreements with the PDS.

In most states, the PFL's opponent is the PMDB. At the national level, both parties support the Sarney administration.

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ARTICLE NOTES PROGRESSIVE CHURCH AS MAJOR MILITARY CONCERN

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Mar 86 p 10

[Text] Brasilia--"Since the cultural substratum of the Latin American people is Catholic, the communist plan for subjugating our continent currently intersects two meridians: Marxist liberation theology and the people's church. The latter is a parallel church that obeys neither the pope nor the bishops, and examples are the churches existing in Nicaragua and El Salvador."

That is the conclusion reached by Engineer Colonel Ney Correa da Silva of the Armed Forces General Staff [EMFA] in a signed article that appeared in the EMFA's NOTA INFORMATIVA No 009/D2. The publication in question is a bulletin circulated weekly in the departments of that advisory organization of the Office of the President of the Republic. In a column in NOTA INFORMATIVA entitled "People's Cooperation," the colonel analyzes the book "Fidel and Religion" by Father Betto and draws a number of conclusions from it, for example: "The most important tactical step by the Catholic progressive wing in Latin America at the end of 1985 was publication of the book by Father Betto entitled 'Fidel and Religion.'"

In itself, the article would not have any major consequences except for the fact that the military have conspicuously withdrawn from any interference in matters of a political nature since the establishment of the New Republic. And that restraint has been guided mainly by the behavior of the military ministers, who, to a certain extent, no longer engage in the complex reasoning of analyses of "imported ideologies" or ideologies "foreign to Brazilians," as was their habit under the old republic.

Today, in keeping with what the ministers of army, navy, and air force and the EMFA chief themselves proclaim, the main interest of the Armed Forces is in professionalizing their cadres.

In that context, therefore, the article published in the EMFA's conspicuously distributed bulletin attracts attention because of its novelty and shows that the major concern of the military is not so much the communist parties, which have now been legalized, but the progressive church as the supporter of liberation theology, which has now been curbed by the pope himself.

In his article, Col Ney Correa questions the purpose of Father Betto's book as well as the actual intentions of the Dominican priest. He says: "Besides being well versed in those two fields (Marxist liberation theology and the people's church), as is shown by his books, Father Betto is now revealing himself to us more than ever as a determined fighter for the establishment of socialism in Latin America."

And concerning Fidel Castro's objectives, the colonel gives this verdict: "In this abundant testimony, the guerrilla fighter of the Sierra Maestra makes a wonderful effort to win the support of Latin American Catholic countries for socialist revolution."

Decisions Made in Moscow

In his article, the EMFA colonel also rebuts a few of Fidel's statements concerning the existence of religious freedom in Cuba. Here is the colonel's comment: "...today, the percentage of baptized Cubans has dropped to less than 40 percent of the population, while the number attending church on Sunday totals 0.5 percent, a figure that is tending to decline. In 1958, there were over 700 priests in Cuba; today there are 211, and the existing seminary is not filling the gaps left by those who die. In 1958, there were several hundred Catholic primary and secondary schools; today there is not one left. And all children and young people are subjected to Marxist indoctrination that is compulsory and unremitting during the 3 years of military service."

In the colonel's opinion, despite Fidel Castro's expressed willingness to change the state of things in Cuba, it is not going to happen. First of all--the colonel says--"because it was Fidel himself who led the Cuban church into this state of things," and second, "because Cuba's revolution is no longer in Fidel's hands." And he concludes by saying:

"Cuba's revolution today is Soviet Marxist-Leninist. Fidel may grant promising interviews to Father Betto. But the Cuban Constitution (1975) and the resolutions by the first congress (1975) and the second congress (1980) of the Cuban CP, which is strictly materialist and antitheist, naturally stand above the commander in chief. Cuba's ideology today is not decided by Fidel but by Moscow."

The NOTICIARIO DO EXERCITO--a daily newspaper published by the Army Media Center--also published an article on the book "Fidel and Religion" in its edition for last 4 February. The minister of army's advisers were careful, however, not to express any opinion of Father Betto's book. They simply reprinted an argument completely opposing the book's message that had been written by the archbishop of Aracaju, Luciano Cabral Duarte, and published originally in the JORNAL DO BRASIL last 24 January.

11798
CSO: 3342/93

EMBRAER PLANS TO DEVELOP NEW PLANE FOR INTERNATIONAL MARKET

Rio de Janeiro O GLOBO in Portuguese 26 Mar 86 p 31

[Text] Sao Jose dos Campos--In only 6 months to 1 year, EMBRAER [Brazilian Aeronautics Company] will have completely defined its Project 123, which is intended to develop a new and as yet unnamed airplane that could usefully replace the Bandeirante and provide the level of sophistication and comfort required of planes in the 20-seat range by the international market. For the present, work on the project's details has not yet begun, but preliminary definitions making it possible to build an engineering mockup already exist.

The sources we contacted at EMBRAER yesterday would confirm only that the "EMB-123" is to be quite similar to the Starship developed by Beechcraft in the United States and that testing has been underway since the middle of February. The major difference is that EMBRAER's new plane will be intended for the regional aviation market and will have 20 seats, whereas the American plane is an executive aircraft with a capacity of eight passengers. The "123" will be a turboprop, with the propellers, situated to the rear on both sides of the fuselage, being placed on broad delta wings that have a vertical stabilizer at each tip. On the forward section of the fuselage are two small "lift wings," which are a component known technically as a canard (the French word for "duck").

According to the experts, placing the propellers to the rear improves the plane's performance by making it more economical and faster, since in that location they push the plane rather than pulling it, as is the case with conventional turboprop models. They also reduce drag--the air resistance to movement by the aircraft. The canard is a part that helps to promote the aircraft's lift and reduce drag. Since the lift wing accomplishes only part of that mission, it is necessary for the wings to be broad and triangular in shape--that is, with a large horizontal area making it possible to keep the plane in the air.

11798
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BRIEFS

HELIBRAS SALES TO LATIN AMERICA--HELIBRAS [Brazilian Helicopters, Inc.] has sold two HB-350B Esquilo helicopters to Paraguay under a contract whose value, including spare parts and optional equipment, totals $2.76 million. The helicopters will operate from the P-2 Itaipu river patrol boat that was built at the Rio de Janeiro Naval Shipyard and delivered to Paraguay last April (see TECNOLOGIA & DEFESA No 23, page 43). This sale brings to 10 the number of helicopters sold in Latin America by HELIBRAS over the past 2 years. Bolivia has already purchased six units of the HB-315B Gaviao type, Venezuela has bought three of that same type, and Peru has acquired one Esquilo. [Text] [Sao Paulo TECNOLOGIA & DEFESA in Portuguese No 26, 1986 p 37] 11798

ENGESA OFFICE IN BEIJING--The Chinese market is gradually beginning to attract the attention of Brazilian businessmen. Volkswagen Trucks recently exported 1,000 vehicles to that country. Other Brazilian firms with business in China are GM and Mercedes Benz. Now ENGESA [Specialized Engineers, Inc.] is announcing its intention to open an office in Beijing. Brazilian aeronautical sources also claim that the Chinese Government is interested in acquiring the advanced Tucano T-27 training aircraft. If that interest materializes, EMBRAER [Brazilian Aeronautics Company] may make a big export deal, since the Chinese requirement for training aircraft is estimated at 2,000 units. [Text] [Sao Paulo TECNOLOGIA & DEFESA in Portuguese No 26, 1986 p 36] 11798

BC TALKS WITH PARIS CLUB--Brasilia--The Central Bank is engaged in preliminary contacts with the Paris Club (the informal organization of wealthy countries) and hopes that negotiations will begin as early as the middle of next month for the purpose of dividing up the debt of $1.2 billion that came due in 1985, according to an announcement yesterday by Antonio de Padua Seixas, the Central Bank's director for foreign debt matters. He said that Brazil had made a commitment to the advisory committee of banks in New York not to grant greater advantages to the governments in the Paris Club than those granted to the banks. In other words, the Central Bank will commit itself only to the payment of interest, with amortization of the principal to be deferred until after 1990. Seixas said that detail had been included in the clauses of the agreement with the committee. Seixas also said that Brazil had set a deadline of 15 April for formal agreement by the 700 banks all over the world to the terms of the renegotiation of its debt in relation to 1985 ($6.1 billion) and 1986 ($9.6 billion). The amortization payments due last year will be paid beginning in 1991. Until that time, the banks will receive only the interest. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Mar 86 p 22] 11798

MITSUBISHI WANTS TO BUILD ASTROS II--Sao Jose dos Campos--A conglomerate of Japanese industries--led by Mitsubishi Heavy Industries, the giant of Japanese heavy industry--and Bofors Company, of Sweden, is negotiating directly with AVIBRAS Aerospacial for authorization to manufacture, under license, the Astros II multiple firing system, designed by Brazilian military researchers and engineers and produced with a small part of the technology supplied by the Swedish firm Contraves. According to military sources, Brazil is interested in the deal, which could mean at least $400 million in revenue for AVIBRAS Aerospacial, which is located in Sao Jose dos Campos, 90 kilometers from the capital, and which holds the international patent on this equipment. According to the preliminary agreements, Japan would produce the equipment only for use by its defense forces, since, under the terms of the treaty signed with the allies at the end of World War II, Japan may not arm itself with offensive weapons. [Text] [Rio de Janeiro O GLOBO in Portuguese 3 Apr 86 p 20] 6362

BANDEIRANTES TO NIGERIA--Sao Jose dos Campos--Last week EMBRAER [Brazilian Aeronautics Company] signed its first sales contract for the Bandeirante plane in the last 12 months. Under the agreement, five planes will be acquired by the Nigerian firm Express Airways Nigeria, which provides transportation for that country's postal service. The first delivery is scheduled for 15 May and all the planes should be in operation by the end of June 1986. The contract comes to about $9 million. The Nigerian firm requested of EMBRAER that two of the planes have the passenger-cargo configuration, because they will be carrying passengers on the usual regional routes during the day and will carry mail bags at night. The other three planes will be cargo planes. At this time, the only Brazilian plane in operation in Nigeria is the Xingu. EMBRAER sold only one Bandeirante last year. [Text] [Rio de Janeiro O GLOBO in Portuguese 27 Mar 86 p 20] 6362

CSO: 3342/94

CHILE

UDI LEADER WARNS STUDENTS OF OPPOSITION YOUTH GROUP

Santiago EL MERCURIO in Spanish 30 Mar 86 p C3

[Text] The president of the young people's association in the Independent Democratic Union (UDI), Jose Tomas Gonzalez Brito, has cautioned that the recent creation of a youth opposition group that calls itself the "Committee for an Understanding" [Mesa de Concertacion] is part of the Left's strategy.

In a public statement he urged young people not to allow themselves to be dazzled by this "understanding," indicating that the group's goal is to set up a series of small movements that represent practically no one and to thus form a front that various groups of other persuasions would be invited to join."

"Because they are in the minority and have differing positions, the latter would like the front to be led by the leftwing majority, specifically with the participation of the Communist Party," he added.

The UDI youth also deplored the involvement of the Christian Democrats in this understanding, indicating that "this development unfortunately shows once again that Christian Democracy is willing to engage in joint action with the Communist Party."

The statement goes on to say that "above and beyond the inconsistency between the stand of Christian Democratic youth and the stand of the rest of the party on this point, this situation illustrates one of the party's strategies, which is to avail itself at all times of the Communist Party's assistance to reach power; this inevitably leads to the Left exercising leadership in practice when it takes advantage of the wishy-washiness of its old, faithful ally, Christian Democracy."

The UDI youth also voiced their concern over the "essentially political approach" taken by the committee, noting that its members are patently interested in furthering their own political agendas over and above the nonpolitical concerns or problems of young people.

The statement calls on all of the country's young people and especially secondary school students and recent college graduates to "keep your distance from the activities that these kind of leftist-led groups engage in, because far from solving your problems, they will persuade you to support the by now well-known 'social mobilizations,' which in student circles seek only a nationwide shutdown as another way to apply political pressure."

8743
CSO: 3348/510

CHILE

FEUC PRESIDENT DISCUSSES POLITICAL SCENE, UNIVERSITY'S ROLE

Santiago EL MERCURIO in Spanish 30 Mar 86 p D3

[Interview with FEUC (Federation of Catholic University Students) President Jose Tomas Jocelyn-Holt by Raquel Correa; date and place not specified]

[Excerpts] There Is Violence

[Question] You have been called upon to take a stand: "To admit, once and for all, your true support for acts of violence" or else "to condemn violence and its promoters, mainly the Marxist Left."

[Answer] Some people have been calling on us to take stands for a long time now. We have often taken a stand on violence. In the program that I drew up (for the elections) I said that we would support only a strategy of consensus, which makes it necessarily peaceful. And we have given proof of our devotion to peace. Last 4 September, at a public demonstration with other social organizations, this Federation of Students, pursuant to an internal resolution, defused 20 incendiary bombs and staged a peaceful demonstration for social grievances in keeping with the spirit that Archbishop Fresno was calling for at the time. We have expressed our position on violence on repeated occasions. My impression is that we have declared our intentions clearly enough. I do not believe in violence.

[Question] You do not believe in violence, but violence exists...

[Answer] Yes indeed! I agree fully with that statement. It is precisely because violence exists that I want to do something about it. But a statement is not enough, even though if you ask me for one, I'll give it to you. We have to realize that there are causes. The only thing I want to do is end the fighting among students. There used to be an ongoing climate of aggression here, and this federation has sought to create more of a climate of understanding, within a very hostile setting, because the country is polarized, which means that organizations are polarized too. So our task as officers is very difficult. I often feel that the people who want us to take a stand on violence are not interested in doing something about it. This is what I fear deep down, existentially. Because people don't want to calm spirits; they just want to avail themselves of violence to reap dividends from petty political calculations.

[Question] [words missing] have said nothing about the delegate rectors...

[Answer] They are included when I say that as far as the government is concerned, the universities are a law and order problem. This is why it is keeping on rectors who are not well suited to the job, just as I am not well-suited to run the War Academy or a frigate. They don't understand the problem of higher education in this country. They are not interested in improving the academic level, in giving the universities autonomy, in enabling professors and civilians to think over, discuss, work out and give the university the structure and organization that they deem most appropriate.

[Question] Why do you think that the new private universities, which are self-financing, do not have the problems of student unrest that the traditional universities that receive government contributions do

[Answer] Diego Portales University is the one I know best. My impression is that the authorities and the students show greater understanding and sensitivity there.

Catholic University

[Question] And there is no understanding or sensitivity here at CAtholic University?

[Answer] There are several problems here. This university has certain distinguishing features. It is Catholic and it is the only national university left in the country, and we want it to stay that way. The components of this university are very much out of contact with each other, which makes it seem as though students and faculty are in opposition, when what we really want is to secure, together, more money from the government. We cannot understand either why the faculty association has such little representation on the Superior Council. And the specific problems: the campuses. We want this to remain a national university.

[Question] And what makes you think that it will cease to be one?

[Answer] Temuco makes me think so...And I'm thinking about Channel 13. In the early 1960's the television channels were handed over to the universities so that they could maintain their high quality, and I want to see a more educational, less commercial university channel that does not, for example, disregard the pastoral messages of the bishops. Why does the issue of the consensus have to be alien to Catholic University and its TV channel, which is a tool of the university? In short, I would like it to be less commercial, more educational and more pluralistic? And I'll say it again: Why doesn't Channel 13 broadcast the pastoral messages?

[Question] Archbishop Cardinal Fresno is the grand chancellor of Catholic University. How do you explain then...?

[Answer] I hold the archbishop of Santiago in high esteem. And we have always wanted the archbishopric to play a bigger role within the university.

And my impression is that the Church does too. The Church misses playing a bigger role and wants to.

[Question] One would have to ask where the...

[Answer] I said so before. The government thinks that the university is a problem of law and order.

[Question] Are you saying that the university and its organizations are not run by the Church?

[Answer] I have the impression that a trend began when there was a change of rectors. The archbishop said at the time: "Today a first step is being taken; others will come later." And no one, no one!, at the university has said that it is fine as is, that the television channel is fine as is, that there are not nationwide problems plaguing the university. But we live in a country in a tragic situation...And our job is to try to enable all these institutions to return to normal.

[lines omitted; end of answer] ...Cardinal Silva Henriquez and his supposedly pastoral opinions. Today I am equally critical of those who would like to single out Cardinal Fresno in the same regard.

[Question] In other words, in your judgment, it was fine for Archbishop Fresno to visit La Moneda for a cup of tea after the meeting at which he was told to forget about the "Accord"?

[Answer] The Church does not have to prove anything. For 13 years it has demonstrated with perfect clarity in this country what its concept of human dignity is and it has given public proof of what its mission is, of the problem of freedom and of what Chile's problem is. So I'm never going to ask the Church to take a stand in this connection. It is not necessary.

The "Mobilization"

[Question] Would you say that the events that have taken place at this and other universities are part of the "social mobilization" that one sector of the opposition is promoting?

[Answer] I believe in the social mobilization. Not only is it legitimate, but one gradually realizes that it is necessary. It is changing from a right into a duty. This federation has always tried to spur it on, by talking with other sectors: with the professors, with other universities, with other social organizations, because we are all part of the same national community.

[Question] So your answer is yes to the question of whether the disturbances at the university are part of the social mobilization?

[Answer] Yes. The university is part of the overall situation in the country. And there is real ferment in the country. In such a case, our job as student body officers is to channel this unrest so that our aspirations are fulfilled.

[Question] Now then, let's look at who is channeling these concerns and aspirations and how they are doing it. You are the president of a FEUC that won on a list with all of the opposition groups and you share power with Marxist sectors...

[Answer] I'm the president and I'm a Christian Democrat. The vice president is Esteban Valenzuela, a member of MAPU [United Popular Action Movement], and the secretary general is Eduardo Abarzua, an independent. It is a fact that the officers are supported by a student body that is quite wideranging and pluralistic. All of the students got together...

[Question] All of the opposition students, without distinction.

[Answer] The students who opposed the 18-year rule of the trade unionists. But we want to be broad-based, to include everyone, and we want to provide instruction for the future democracy. This is the other concern that we have raised: the problem of young people. What is needed is tolerance, self-criticism and sensitivity. That trio is decisive.

[Question] Do you feel that the university, in which the entire opposition is united, is a good example for the country to follow?

[Answer] The university is a social organization in which people get together around the actual problems that they are experiencing. This is what brings about a consensus. And there is something that all of Chile aspires to: a commitment on everyone's part to democracy. There will be no peace unless everyone makes this commitment. So, on this issue, we cannot divide Chileans into the good and the bad.

[Question] Specifically, do you think that the Communist Party is democratic?

[Answer] Historically, before 1973, the Communist Party was democratic in Chile. It was even almost conservative. It was ready to engage in talks with the Christian Democrats and called on the Popular Unity government to give in on certain issues.

[Question] But you realize that the Communist Party is not just a home-grown phenomenon.

[Answer] Correct, and the Chilean Communist Party is very dependent on a conflict that I think is foreign to us: the East-West conflict.

[Question] Excuse me. Are you saying that it is very dependent on Moscow?

[Answer] Yes. It is very pro-Soviet. Everyone knows that. Moreover, as of 1980 it has pursued a strategy that I think is very bad for the country.

[Question] Are you talking explicitly about accepting violence as a method of political struggle to achieve democracy?

[Answer] The strategy described as "the thesis of the grassroots rebellion" and "the thesis of the national uprising." I do not agree with them. And I do not think that this is the proper strategy for achieving democracy in Chile. But my goal, I stress, is a Communist Party that, for the good of everyone, is prepared to give up that strategy to achieve a broad consensus in Chile for a return to democracy. Moreover, I am aware that the Communist Party is not the central problem in Chilean politics today. An absolute majority of people in the country reject the situation in which we are living and want to return to democracy.

"An Agreed Upon Break"

[Question] The problem seems to be how to chart that course. How and, very closely tied to it, with whom.

[Answer] What I want for Chile is what political scientists call an "agreed upon break" that will make possible a peaceful transition to democracy.

[Question] Agreed upon with the government?

[Answer] A professor of mine used to say: "I believe in the civilization of love, but I do not believe in unrequited love." In order to have an agreed upon break, the two sides must show their willingness, and I see a dangerous intransigence on the government's part.

[Question] It is obvious that the Armed Forces will not accept a solution that allows Marxism-Leninism on the political scene...

[Answer] I invite all those who want democracy to join in such a pact, and I hope that everyone does want democracy. Everyone. Chilean democracy requires a broad consensus and a major effort from everyone. Otherwise, it will be very unstable. And I see no willingness on the government's part to foster such a consensus; quite to the contrary. The party to which I belong has often spelled out its stand on the Communist Party.

[Question] And yet you entered into an electoral pact with them here...

[Answer] A political agreement is one thing; an electoral agreement is something quite different.

Negotiations and Pressure

[Question] And should everyone take part in the social mobilization?

[Answer] Everyone who is for a peaceful social mobilization of all Chileans. This is a social, civilian mobilization, not a partisan one. So then, the social mobilization is one thing; the political pact is another, and the various platforms of each group are another. The Christian Democratic Party has spelled its position out in this regard countless times.

[Question] I have read the positions spelled out and I have even transcribed them. But some public opinion sectors are concerned that the Christian Democrats have not clearly spelled out their stand on this issue or that their actions are not consistent with their statements...Things are not that clear, inasmuch as the National Accord is at a standstill and there are differences of opinion over the social mobilization and agreements with the MDP. So no one is going to be annoyed if you spell out your position this time too...

[Answer] Thank you very much [he replies with a smile]. A political accord that excludes certain sectors is going to make for a politically unstable order. My hope is that Chile can hammer out accords like the ones in Spain, Argentina, Uruguay and Peru, all of whose governments have been the fruit of negotiations and of social pressure too, because it was not just a social gathering around a table...We must strive to make this possible, but I see intransigence from the party with the greatest responsibility: the government. As far as the social mobilization is concerned, I hope that it is peaceful, as little politicized as possible and that it pushes civilian aspirations. This is why I think that everyone should participate. The political programs of each group are something else. This is something that the voters of Chile will have to decide. I have confidence in them.

[Question] The president of your own party, Gabriel Valdes, described as "insurmountable" the differences in goals between the Christian Democrats and the Communist Party.

[Answer] I don't believe in the "multiparty board" of the opposition in Chile. Nor do I believe in the arrangement of the "Single Command." I do not believe in them, frankly, because there are major, underlying differences between Chilean political groups. No one can believe that this is an indispensable condition for an end to this government. I do believe that there must be a high level of political and social negotiation in the country for the transition to civilian rule to be possible.

8743
CSO: 3348/510

REGIONAL PLANNING OFFICIAL NOTES DROP IN POVERTY LEVEL

Santiago EL MERCURIO in Spanish 30 Mar 86 p C5

[Article by Dania Guelfand]

[Text] La Serena--The study on extreme poverty that was conducted under an agreement between Catholic University and ODEPLAN [National Planning Office] shows that the rate dropped in the Coquimbo region from 30 to 20.6 percent from 1979 to 1982.

The first statistical study was conducted in 1970 with that year's census data. Four indicators were measured: type of dwelling, degree of crowding, plumbing and household furnishings. The analysis concluded that the extreme poverty rate was 30 percent in the region.

The study was repeated with 1982 census data, using the same yardsticks. The rate was down to 20.6 percent.

Alejandro Fernandez, the regional ministerial secretary of planning in the Coquimbo area, submitted background information that showed what had been done to achieve the sharp drop.

"Between 1970 and 1982, and this is the really important development, 40,000 persons emerged from extreme poverty, according to the study's findings and its gauge of what extreme poverty is. The rate fell 9.4 percent, and this region cannot be compared with others, because it is not a healthy or easy place to live; it can only be compared with itself.

"According to the definition of poverty in the study, there are 84,561 poor people out of a total population of 410,192. In 1979, there were 102,230 poor people out of a population of 340,812," Fernandez added. He went on to mention that the study shows that poverty has risen in rural areas. It stands at 28 percent in Region IV.

With regard to the measures taken to bring about this drop in the extreme poverty rate, the regional planning secretary said that "the government's policy in recent years has been to allocate most of the budget for social spending, independent of subsidies. Housing and public works take up almost all of the budget, which makes growth possible. In 1975, for example, the sewer system coverage was 24 percent and today it is nearing 60 percent. Moreover, the creation of the National Fund for Regional Development has been fundamental, as it has enabled the regional authorities to tackle and solve problems. Sewerage installation work has been going for 4 years now in the upper Coquimbo (at a cost of around 150 million pesos), and work has begun on discharging the sewage from La Serena through an underwater outlet."

As for another indicator examined in the study by Catholic University, Fernandez indicated that the household furnishings situation has improved and that "the foreign trade system (without delving into certain problems) has enabled the population to buy things that they never had before. All in all, over a 10-year period the rate has dropped by 9.4 percent, mainly as a result of the government's social spending on projects."

8743
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REPORT ON POSSIBLE IMPACT OF POLITICAL EXILES

Santiago QUE PASA in Spanish 3-9 Apr 86 pp 24-27

[Article by Mariana Grunefeld and M. Eugenia Braun]

[Excerpts] There are 163,686 exiles, according to the Chilean Human Rights Commission. The commission's estimates are based on the number of people who have been exiled plus their families. The government disagrees. It counts only the exiles who have been ordered to stay out of the country: 3,878. The most recent and complete study on the issue, published by the Research Center for Educational Development (CIDE), concludes that the number of post-1973 exiles is between 200,000 and 250,000, clarifying, however, that political exiles total 30,000. The Vicarship of Solidarity places the number higher. It indicates that to the exiles we must add the undesirable foreigners (the Chileans who have been nationalized in other countries), whose numbers are between 40,000 and 45,000.

In short, an undetermined but large number of Chileans are wandering around the globe and will one day return in droves. A group of Chileans without the L in their passports will go through customs one day. And...what will happen here then? What will the reunion be like? Will there be talk of reconciliation? Will rationality prevail so that we can build a future democracy?

For the time being we know that of the exiles authorized to return between 1976 and 1985, only 2,112 did, only 15 percent of those allowed back in the country. Returning to Chile is a shock; "the return is often a second exile." Families that separate, no jobs, a feeling of insecurity, pent up rage. Will there be reconciliation?

Let's take a look at the exiles. They are younger on the average than the Chilean population. Most have grown up and studied overseas. Of those between the ages of 14 and 39, only 27.6 percent want to return "now." Some 57.2 percent plan to do so "later," and 15.2 percent say that they will remain abroad. It is the exiles over the age of 60 who are "dying" to come back. Some 43.6 percent of them would do so "now." It has also been shown that those with a college degree are more inclined to return "now." And half of the exiles are professionals (46.4 percent). The exiles who are most eager to return live in East Germany, Venezuela and Spain. And here is another important fact: the political exiles are the ones who unquestionably are most eager to spend the next few years in Chile; 60.2 percent of them would come back "right away." And those who left right after the military uprising are the ones who are most anxious to return (the Left, we assume).

So, most of them are young "politicized" professionals. They return and face problems: 69.2 percent finding work, 35.5 with their families (generally separations from their spouses), 26 percent with the law, and 24.3 percent with their health. Almost 40 percent live off friends. An explosive situation...

Anibal Palma, who has lived in exile for 10 years in the FRG, acknowledges that what is going on in Chile is overdramatized abroad. Protests are exaggerated, and what is viewed with optimism here is looked upon with pessimism over there. He says that this was the case with the assessment of the economic boom. Jose Joaquin Brunner, a socialist professor, says that exiles receive secondhand and, hence, partial information. Political analysis becomes more abstract. For example, exiles see the dialogue between the government and the opposition as highly unlikely, impossible, because they are not part of daily life here. "They do not realize that there are social and academic gatherings and a network of relations among people who think differently." Therefore, they say, if the exiles return and if there is ever any negotiation with the government, it will be with people "on the inside" who have not lived in exile.

The Left "Over There"

"I didn't let myself feel defeated. That would have been giving the victory to the people who applied the sanction to me," says Andres Zaldivar, who lives in exile in Madrid. To him exile was a positive thing: overseas contacts, his election as president of the Christian Democrat International. Christian Democrat Claudio Huepe complains: "The people in the opposition in Chile have undergone tremendous wear and tear; they have not enjoyed the calm atmosphere that the exiles have to think things over." The radical Palma says: "For me it meant an opportunity for further professional and cultural development. I had more time to read, study and write. I gained greater ideological maturity. There was no change in ideology. Previous ideological positions were strengthened." Including the ENU. Political scientist Juan Irarrazaval clarifies the situation: "Exile has definitely improved the scientific and political preparation of the Left." Doctorates, seminars and academic contacts have helped to groom a well-prepared and highly influential group of people. "This enhances their human and intellectual qualities; the same cannot be said of rightwing sectors." The upshot: an imbalance between the two wings and, according to Irarrazaval, a "secularization" of politics, making it more rationalist, less ideologically bound. At least in theory...

Of course everything depends on where they have been. The Communist Party apparatus headed east, mainly to Moscow and East Berlin. The consensus: no evolution here. How would they fit in back home? They are said to have no grasp of present realities in Chile, and their proclamations indicate as much. Gladys Diaz from the MIR [Movement of the Revolutionary Left] told the magazine HOY in 1979: "Eurocommunism has not touched the Chilean parties. The struggles in Latin America have made it clear that the Marxist-Leninist tradition as a method of analysis and class struggle is still valid. We have not yet found anything better." They cannot get violence out of their heads.

The impact on the leftists who have lived in the West (see table) has reportedly been strong. Carlos Altamirano could not tolerate life in East Berlin and demanded an urgent change. He left for Paris. He does not speak a word of French, nor has he tried to learn. His wife translates everything for him. He speaks only Spanish and calls himself a Social Democrat and an anticommunist. Other converts from Communist Party: Alejandro Rojas, Sergio Politoff, Jose Rodriguez Elizondo. This is the big news: exile has moderated socialist thought. Seeing Mitterrand and Gonzalez in action has terrified them. They have become almost insanely pragmatic about preserving democracy, even if it means sacrificing ideological dogmas. But they have lived it and liked it. They have also been surprised to see Sweden moving towards a socialist society by way of capitalism (taxes on private enterprise, which is always given incentives). Erich Schnake, who has a great contact in Spain (Felipe Gonzalez), and Jorge Arrate are moderate socialists. They were the keys to the emergence of the "Socialist Convergence" in Chile in 1979, much of which led to the socialism of Briones.

Serious studies point to the following changes among leftwing exiles: a high degree of questioning; reassessment of Marxism-Leninism; the issue of activism in political parties and of their internal organization; a reassessment of the private world, daily life and family; a loss of the "messianic" feeling; a more specific, modest and circumscribed political role; disillusionment over the divisions in political parties. Something is something, but not all that glitters is gold.

Socialist Hernan Vodanovic thinks that "there is a big difference in political views between the exiles and those who have returned. Those who remained overseas have a political view that is frozen in 1973." Exile maintains and heightens the emotions, the hatred, the ill will and the pain. "It pushes antigovernment positions to an extreme," emphasizes Irarrazaval. They say that they bear no ill will. Pacheco: "They are so 'traumatized' that they do not want to be thrown out of the country again for any reason." Yet as Brunner says, "they have suffered a lot and want retribution." But what kind?

How did exile harm you, politically speaking? Palma replies: "It takes you away from a struggle. You are a far-off spectator at a struggle that others are waging. This is why the people who have fought day after day inside Chile remain in the front line, and rightly so." This is true. At first, the weight of leadership fell on the exiles. Then the responsibility was transferred to the political parties here in Chile. Were the leaders overseas left out? The exiles have refused to accept political death. Maira and Bitar and examples. They waited only 2 or 3 years to smoothly slip back into domestic politics. But others are "passe." Their time away from Chile has even encouraged an overhaul of political leaderships, above all on the Left. If they return, they will be the same...and the political debate will bog down. Because they are the best known figures and are therefore most in the media limelight. The solution? They should not return. No! Because that violates an individual's sacred right to live in his homeland, because there are courts of justice that must hear the pertinent cases, and because exile divides society and harms the government itself.

Would You Visit La Moneda?

Anibal Palma: "If I could avoid it, I would." He adds: "But recovering democracy does not hinge on conversing with Pinochet." Regarding exile, he says in conclusion: "It is not a problem of hatred, but I cannot forget either."

Countries With Chilean Exiles	Number	Estimate Years
The Americas		
Argentina	5,000	1973-1979
Canada	12,000	1980
Colombia	200	1982
Cuba	?	
United States	2,000	1979
Mexico	?	
Nicaragua	?	
Panama	100	1980
Venezuela	80,000	1980
Africa		
Algeria	500	1979
Angola	?	
Mozambique	500	1983
Europe		
Austria	1,100	1982
FRG	2,500	1980
GDR	1,500	1980
Belgium	2,000	1980
Bulgaria	100	1982
Denmark	800	1982
Spain	?	
Finland	?	
France	15,000	1982
Holland	1,350	1978
Italy	12,000	1982
Luxembourg	120	1979
Norway	700	1982
United Kingdom	4,500	1979
Romania	500	1980
Sweden	9,716	1981
Soviet Union	?	
Yugoslavia	2,000	1982
Oceania		
Australia	9,000	1979
New Zealand	500	1982
Total	163,686	

Source: Chilean Human Rights Commission

Aid Agencies

--UN High Commissioner for Refugees

--Intergovernmental Migration Committee: These two agencies have paid for travel into and out of Chile and have placed many exiles in a variety of countries.

--World University Service: Since 1978 has awarded scholarships to exiles who are professors and professionals. It is financed by the SIDA, a Swedish institution, and awards 60 scholarships a year; they provide 40,000 pesos a month and last 1 to 2 years. Most of the institutions that have sponsored the scholarship projects so far belong to the so-called informal academic area. The man in charge in Chile is German Molina Valdivieso.

--The Christian Churches Social Aid Foundation: Grants scholarships to nonprofessionals. As of November 1984 it had awarded 151 scholarships to blue-collar workers and students.

--Research Center for Educational Development: Headed by Jesuit priest Patricio Cariola, it also grants scholarships to exiles, mainly professionals. Conducts studies on the subject.

--Vicarship of Solidarity

--Chilean Human Rights Commission: Operating within it is the Pro-Return Committee, which puts out a newsletter, sells cassettes, including a homage to Salvador Allende, and prints large numbers of posters, including one in honor of Luis Corvalan that is on display in its headquarters.

--Monsignor Manuel Camilo Vial is the bishop in charge of the pastoral for exiles. Father Luis Caro in Belgium is their coordinator in Europe.

8743
CSO: 3348/511

PACOREDO, OTHER PARTIES RECEIVE LEGAL STATUS

Santo Domingo LISTIN DIARIO in Spanish 11 Mar 86 pp 1, 13

[Article by Manuel Volquez]

[Text] The Central Electoral Board (JCE) has granted recognition to the Communist Party of the Dominican Republic (PACOREDO), thus increasing to 14 the number of political organizations officially able to compete in the May elections.

The PACOREDO was recognized by virtue of Resolution No 4-86 of 8 March 1986.

Last week, the Dominican Communist Party (PCD) was recognized by virtue of Resolution No 5-86, of the same date.

The requests of other movements remained pending, including: the Montecristeno Municipal, Romanense Independent, Democratic Socialist, the Resurrection of the Peoples (the latter two from the National District), the Santiago Municipal and Barahona Independent Progressive Workers movements.

The PCD and the PACOREDO applied for recognition on 14 January 1986 in petition No 1600.

The first five independent movements named above also applied for recognition on that same date. The sixth did so on 17 January 1986.

The other parties recognized by the JCE and therefore enjoying the right to participate in the coming elections include the Dominican Revolutionary Party, (PRD), the Christian Social Revolutionary Party (PRSC), the Dominican Liberation Party (PLD) and the Civilian Veterans National Party (PNVC).

They also include the Constitutional Action Party (PAC), the Progressive National Force (FNP), the Popular Christian Party (PPC), the Quisqueyano Democratic Party (PQD), the Democratic Unity (UD), the Structure and the National Conciliation Movement (MCN).

Regarding independent movements, the chairman of the JCE, Dr Caonabo Fernandez Naranjo, hinted at the possibility of their recognition by the board in the days ahead.

However, one organization source said yesterday that "the independent movements have not been recognized because they are not accepted as parties."

The source indicated that "the only thing recognizable from the movements is their candidacies."

The source went on to explain that "the difference between a party and an independent movement lies in the fact that the former is of a permanent nature, while the latter emerges spontaneously."

The presentation of candidacies by political parties must take place before 31 March, according to the ruling by the JCE.

However, most of the organizations have not presented lists of members enrolled for elective posts in the coming elections.

Victory

The PACOREDO political committee said last night in a written statement that its electoral recognition "is a political victory of the democratic and revolutionary forces."

It said that it is also proof of political progress and evolution of the Dominican people, who through their determination have made it possible to advance the democratic and institutional process and who have ensured constitutional respect for equal rights for all Dominicans without distinction as to ideologies or beliefs.

It also indicated that "it is a harsh defeat for the Dominican Communist Party and Isa Conde in their claim to represent the Dominican working class and the working masses in order to place them in the service of Soviet socialimperialism and its style of making politics through pressure, blackmail, sabotage and tricks by the press, instead of educating the people in the revolutionary political struggle.

It said that as a consequence of these "aberrations," the PCD is now an organization in disarray.

11,464
CSO: 3248/306

PRSC SELECTS CANDIDATES IN SAN PEDRO DE MACORIS

Santo Domingo LISTIN DIARIO in Spanish 11 Mar 86 pp 1, 12

[Article by Manuel Silvestre]

[Text] San Pedro de Macoris--In the presence of former President Joaquin Balaguer, leader of the Christian Social Revolutionary Party (PRSC), that organization chose its candidates for trustee, senatorial and deputy posts at a convention held here yesterday morning.

Juan Stafleton Gomez was chosen as trustee candidate, obtaining 107 votes, while his closest rival, Felipe Mercedes, won 41. Engineer Ramon Bernal was selected as alternate.

Also participating in the convention were other precandidates: Jose Alvarez, Alsergio Mejia, Rafael Mejia Cruz, Jesus Gonzalez and Dr Eusebio de la Cruz.

Following the convention and verification of the statutory quorum, a second convention was held with the same delegates, as stipulated by PRSC statutes.

At the second convention, the senatorial candidate and the three candidates for deputy seats for the province were chosen.

Mario Carbuccia was nominated for senator, with 78 votes, winning over Ana Perera and Mary Mattei, who received 44 and 23 votes respectively.

Dr Rafaela Alburquerque (Lila) was chosen as the first candidate for deputy, Joaquin Gonzalez Sosa for second and Hector Castro third. Alburquerque obtained 87 votes.

Both conventions were held in an atmosphere of discipline and a democratic spirit, for which former President Balaguer congratulated convention delegates, along with officials from the PRSC provincial directorate for their organization of the event.

Balaguer came to this city accompanied by several reformist leaders, including Rafael Bello Andino, candidate for senator from the National District, Jacinto Peynado, Felix Maria Rojas, Carlos Leroux, Luis Hernandez, Manuel Bello, Deputy Manuel Molina Lluberes, Vinicio Mota, Anibal Paez, Deputy Federico Antun

Battle, Dr Nelson Ramos Nivar, engineers Jose Francisco Comarazamy and Nestor Uribe Matos.

Also with him were Deputies Juan Rafael Estrella Rojas and Jose Andres Aybar Sanchez, Nicolas Fernandez, surveyor Ramon Cos Garrido, architect Tomas Ramos S. and Councilman Bona Rivera.

A committee made up of Guaroa Liranzo and the political secretary of the PRSC, Joaquin Ricardo, was appointed by Balaguer to head work of the Higuey provincial convention in order to choose senatorial and deputy candidates.

The results of that event could not be obtained for this edition.

11,464
CSO: 3248/306

SHORTAGES OF SUGAR, RICE, MILK REPORTED

Santo Domingo LISTIN DIARIO in Spanish 4 Mar 86 pp 1, 12

[Article by Arsenio Ramirez]

[Text] Associations of food wholesalers in the National District and of Santo Domingo merchants have reported an acute shortage of brown sugar and natural rice yesterday.

At the same time, officials from both organizations made an urgent appeal to government authorities to seek a speedy solution to the serious problem growing not only in the capital, but in the country's towns and rural areas as well.

Housewives from all parts of Santo Domingo reported that the powdered milk distributed by the Price Stabilization Institute (INESPRE) cannot be found at commercial establishments either.

Yanet Arias de Nunez, president of National District wholesalers, and Domingo Luzon, adviser to the Merchants Association in the capital, noted separately that the shortage of both products is reaching the critical stage and that brown sugar has practically disappeared from the local market.

Arias de Nunez said, in discussing the problem with the sale of such items, that "the people do not want to buy the so-called 'natural' rice sold by INESPRE, much less the brown sugar, because it is not for human consumption. We hope that the authorities will act and find a solution before the situation gets any worse."

Arias de Nunez explained that the state organization gives that entity permission to buy the product at the Colon mill, "but we have learned that others get it from Santa Fe and Quisqueya in San Pedro de Macoris."

"One high INESPRE official told me that that is the kind of sugar they are getting. It should also be noted that the amount allocated is very little for members and that they are trying to meet their retailers' needs."

Concerning the natural rice, she said that only one Spanish type was being received, but that the customers do not like it. "We only obtain the choice grade because the local natural rice is not available, but we also know that others do get it."

Domingo Luzon said for his part that a bag of brown sugar costs about 58 pesos when the control price is 49. "As you can see, the people will have to pay more for this product since it has practically gone on the black market."

He said that "we do not know why INESPRE does not distribute the sugar. There is one kind, but it is of poor quality and the consumers reject it. We do not know whether it is the State Sugar Council (CEA) or INESPRE that is responsible for this situation."

He continued that housewives should not have to go out every day looking for this precious item and return home without it."

Holy Week

Luzon said that the government should do something to solve the problem of the sugar shortage "because Holy Week is coming and the sale of the product increases considerably for the preparation of pastries and other foods."

Housewives from Santo Domingo have reported that the powdered milk sold by INESPRE has grown scarce at most commercial establishments.

"We need the institution to return to the distribution of this important food staple because our children have nothing to drink now," said Rosa Altagracia Brito, who lives on Summer Welles Street in Villa Juana.

11,464
CSO: 3248/306

DOMINICAN REPUBLIC

DEPUTIES APPROVE CONTRACTS FOR TWO HYDROELECTRIC PROJECTS

Santo Domingo LISTIN DIARIO in Spanish 6 Mar 86 p 5D

[Text] The Chamber of Deputies yesterday approved contracts for construction of the Rio Blanco hydroelectric project and a resolution for the contract to finance execution of the Manabao-Bejucal-Taveras complex.

The Manabao-Bejucal-Taveras complex has as its economic base a $150-million loan which the Inter-American Development Bank (BID) made to the Dominican Republic.

The Rio Blanco project is based on contracts signed between the Dominican Electric Corporation (CDE) and the consortium CGEE Alsthom-Jeumont Schoneider-Neyrpic, Inc. and Electrical Contractors (CONELCA), and between the CDE and the Banking Company and French Foreign Trade Bank.

According to the first of the two Rio Blanco contracts, the CDE would pay the basic price to the contractor for completion of the project, 830,000 pesos, plus 82.6 million French francs.

The approval of the three contracts was due to the attendance of several Reformist and PLD [Dominican Liberation Party] deputies, whose presence provided the precarious quorum.

Gonzalez Hardy

Dr Ramon Gonzalez Hardy (PRSC [Christian Social Revolutionary Party], La Vega), leader of the Reformist bloc in the Chamber, warned that his party maintained its position of not approving any more loans or taxes, but that its presence at the session resulted in a quorum and approval of contracts for loans beneficial to the country.

However, Gonzalez Hardy said that they would not vote for any of the loans, which action was left to the PLD majority, which he criticized for "its laziness, lack of discipline and apathy in making up the statutory quorum in order to meet its obligations. This leads to the erroneous interpretation that the parliamentary opposition has its share of responsibility on the matter."

PLD

The Dominican Liberation Party (PLD) spokesman, Vicente Bengoa, noted that his presence at the session was due to the fact that the CDE had placed an ad in this newspaper yesterday stating that approval of the loan contracts for the execution of hydroelectrical projects "would make it possible, based on financial projections made by the firm, to reduce the real price of energy as soon as the project went into operation."

Bengoa recalled that in November, he had visited engineer Marcelo Jorge, general administrator of the CDE, in order to ask for such a commitment, which only came about yesterday.

Bengoa added that CDE rates should be lowered based on the drop in the price of oil on the world market.

He said that in January 1985, a given hotel would pay 16,000 pesos a month for electricity, which amount rose to 30,000 pesos in November of that same year.

He added that one industry had watched its electrical rates rise from 17,000 pesos to 28,000 pesos in the same period of time.

"How is it possible," Bengoa asked, "that rates can remain the same when the price of fuel oil which the CDE uses has gone down?"

11,464
CSO: 3248/306

GRENADA

GOVERNMENT REVIEWS POLITICAL, ECONOMIC, SOCIAL PROGRESS

Port-of-Spain TRINIDAD GUARDIAN in English 14 Apr 86 p 11

[Text] **GRENADA'S economy has made a strong recovery since the country returned to Parliamentary democracy in 1984 follwing the joint intervention by United States and Caribbean troops in October, 1983.**

The intervention came after leftist Prime Minister Maurice Bishop and some of his Cabinet colleagues were killed by more radical Marxist elements of his own People's Revolutionary Government.

In 1985, the country had a growth rate of 3.5 per cent of Gross Domestic Product (GDP), the total value of goods and services produced, compared with one per cent of the GDP in 1984.

3,750 New Jobs

In the last year of rule by the People's Revolutionary Government (PRG) in 1983, a negative growth — minus two per cent — of GDP was recorded.

Inflation was reduced to 1.8 per cent last year from 3.7 per cent in 1984 and 6.1 per cent in 1983.

The country's unemployment rate is estimated at 25 per cent of the labour force compared with 30 per cent in 1983. A labour force survey is to be undertaken this year to determine the actual rate of unemployment.

The present unemployed ranks were swelled by the return to civilian life, after the intervention, of 3,000 soldiers and hundreds of full time militia members.

Grenada's high rate of unemployment has always been a major concern of the present Government, says Labour Minister Dr. Francis Alexis. Last year 3,750 new jobs were created as a result of the improvement in the economy, he notes.

Tax Reform

The economic prospect for this year is bright says Prime Minister Herbert Blaize. Real growth is expected to be between four per cent and five per cent of GDP, he said.

A Tax Reform Programme introduced on March 1 is expected to accelerate the pace of economic development and provide more jobs.

The burdensome tax system which was a disincentive to investors, farmers and workers has been scrapped. The number of taxes have been reduced from twenty to seven.

Personal Income Tax, Hotel Occupancy and

Consumption Tax are among the taxes repealed.

The entire new system is designed to provide the incentive to individual effort which is so necessary for sustained economic and social development, Blaize says.

High priority has been given to the development of the country's infrastructure with 46 per cent of the 1986 budget allocated to this area.

Blaize emphasised that the country's human and civil rights record is as good as any in the world, and better than most.

Grenadians enjoy all the fundamental human rights. There is freedom of expression and freedom of the Press, he says.

Under the People's Revolutionary Government (PRG) the publication of any newspaper other than that of the Government was forbidden. Now there are six newspapers — three independents and three party newspapers.

The judiciary, patterned on the British system, is independent of the government.

Police Statistics

In the Maurice Bishop murder trial the Government is providing costly legal assistance to the defense of 17 of the 19 accused who are not able, financially, to retain counsel.

The country has no army, but the Royal Grenada Police Force whose size is far less than the army during the Marxist regime, has a Special Security Unit.

In the area of violent crimes such as murder, manslaughter, wounding and assault there has been a significant decrease since 1983.

Police statistics show that in 1983, the number of violent crimes was 1,082 compared with 653 in 1984 and 860 in 1985.

There has also been a drop in crime against property such as burglary, house, office and shop breaking, forgery and larceny. There were 1,349 such crimes in 1983 compared with 966 in 1984 and 1,115 in 1985.

However, there has been a considerable increase in the number of persons arrested on marijuana charges as well as marijuana cigarettes seized and trees destroyed.

A total of 68 persons were arrested on marijuana charges in 1983 compared with 175 in 1984 and 186 in 1985.

Increased police pressure has resulted in 20,822 marijuana trees being destroyed in 1985, compared with four thousand 742 in 1984 and 421 in 1983. The number of marijuana cigarettes seized in 1985 was 567, compared with 576 in 1975 and 75 in 1983.

The new Government has improved the health care services left by the Bishop Government. For instance, the 60-bed Princess Alice Hospital in the rural parish of St. Andrew's is being refurbished at a cost of about US $200,000.

Local Govt

Part of the hospital's improvement is the creation of a special consultation clinic, the first in a rural community in Grenada.

Thirty health centres have also been refurbished and upgraded and five new health centres are to be constructed this year to enhance the primary health care service.

Service at St. George's General Hospital has been improved for the first time there are two specialist consultants instead of one. The hospital now has a radiologist, pathologist, opthalmologist and dermatologist.

Mr Blaize says that Grenada's democratic system will be deepened this year with the reintroduction of Local Government elections.

(Grenada Government Information Service)

/12851
CSO: 3298/412

GUYANA

PAPER REPORTS ON GOVERNMENT'S PRIVATE SECTOR AWARDS SCHEME

Port-of-Spain TRINIDAD GUARDIAN in English 16 Apr 86 p 12

[Text] **GEORGETOWN, Apr. 15, Cana — THE GUYANA Government has announced details of its national private sector awards, a key element of its attempt to encourage investment in the sector which was previously de-emphasised in favour of the State which controls 80 per cent of the economy.**

The scheme is the first such private sector promotional initiative to be made in Guyana, officials said.

It seeks to promote and emphasise the vital role of the private sector in the local economy, the State-owned "Chronicle" newspaper said.

Awards worth more than $250,000 and including trophies, gold, silver and bronze medals and tax-free cash awards will be won in six categories.

Top Exporter

There will be a champion exporter award to the company which is the largest net foreign exchange earner during the calender year.

Other awards:

- The champion subetitutor award to the company which produces the highest value of products manufactured for the local market, which were previously imported.
- The employment generation award;
- The market penetration award,
- The small business award to the most dynamic company with sales not exceeding $100,000 per annum.

In the categories of champion exporter, champion importer substituter, employment generation and market penetration, the first prize will be a presidential trophy, a gold medal scroll and trophy replica.

Cash Award

A silver medal and scroll will be awarded to each second-place winner in these categories, while each third-prize winner will receive a bronze medal and a scroll.

The most valuable prizes will be at stake in the science and technology category, where in addition to receiving prizes similar to those in the four categories, winners will receive non-taxable cash awards of $30,000 $25,000 and $10,000 for first, second and third places respectively.

The President's advisory committee on the private sector played a key role in helping to formulate the scheme which is expected to generate a great deal of interest within the local business community.

/12851
CSO: 3298/413

BRIEFS

WPA CHALLENGE TO TUC--Georgetown, Sunday, (CANA)--The Opposition Working People's Alliance (WPA) has challenged the Trades Union Congress (TUC), a labour grouping, to get a better deal for Guyanese workers. The Alliance issued the challenge in the latest issue of DAYCLEAN one of its new sheets. The Alliance charged that Guyanese workers have been "taking the worst battering in the Caribbean," with their spending power badly eroded by cost of living increases. "Of the Caricom (Caribbean Community) countries Barbados, Jamaica, Trinidad and Tobago, and Guyana, our country (Guyana) had the fastest rising and highest cost of living between 1970 and 1985," the Opposition Party said. [Text] [Port-of-Spain DAILY EXPRESS in English 14 Apr 86 p 15] /12851

SUPPORT FOR CATHOLIC STANDARD--The Inter-American Press Association (IAPA) has called on Guyana's President Desmond Hoyte to life all restrictions on the "Catholic Standard" newspaper and permit it to receive needed supplies of newsprint. This was one of the resolutions adopted by IAPA's board of directors at a recent meeting in Brazil. Other resolutions condemned stiff Press censorship, in Nicaragua, the absence of a free Press in Cuba, and announced an investigation into the situation in Haiti. IAPA saw the "Catholic Standard" edited by Rev Fr Andrew Morrison, as the sole independent voice in Guyana, struggling against great odds and with much personal sacrifice to continue in operation. It expressed solidarity with Fr Morrison and the "Standard." [Excerpt] [Port-of-Spain TRINIDAD GUARDIAN in English 14 Apr 86 p 3] /12851

CSO: 3298/413

NICARAGUA

WHEELOCK INTERVIEWED ON AGRARIAN REFORM LAW

Managua BARRICADA in Spanish 4 Mar 86 p 2

[Interview with Minister of Agricultural-Livestock Development and Agrarian Reform Jaime Wheelock Roman; author, date, time and place not given]

[Text] In view of the increasing mobilization of poor peasants or those displaced by the war in search of land where they can produce something before winter comes, Agrarian Reform is considering stepping up the distribution of land in several regions of the country.

From which sectors will the lands come from, and how will the new Agrarian Reform Law back up the land-distribution process without interfering with efficient production? These and other questions were answered in an interview which Jaime Wheelock, commander of the revolution and minister of agricultural-livestock development and agrarian reform, granted to BARRICADA.

[Question] Why is the Agrarian Reform Law being amended, and what is the social implication of these amendments?

[Answer] The first reason is that in all regions of the country, primarily in the Pacific regions and the dry areas of Regions I, V, and VI, where basic grains are produced, after nearly 7 years of Agrarian Reform a large number of peasant families were still landless.

Secondly, the war has displaced tens of thousands of families, particularly in the regions most seriously involved in the aggression: Las Segovias, Norte, Chontales and Boaco. These people were going completely spontaneously toward the interior of the country, while we were setting up population settlement centers to prevent part of the peasant population from being held hostage by the counterrevolutionary forces.

We were concerned, then, by the fact that since the end of last year there has been great pressure to obtain land. Because this pressure is indiscriminate and not properly channeled, it could affect lands that are being efficiently exploited by private farmers, cooperatives, or state enterprises.

When we looked at the possibility of putting together a significant amount of land to solve this problem, we realized that the Agrarian Reform Law, given its limitations, had practically exhausted its possibilities. Some of the properties that remained in the hands of landowners were used for grazing livestock, or were located in places that did not suit the needs of the people demanding land.

Consequently, we saw that it was very important to channel this pressure toward the idle or under-utilized holdings which, being less than 500 manzanas in the Pacific or 1,000 in the rest of the country, were available after sufficient time had gone by under the Revolution, for their owners to put them to work.

[Question] What government lands will be contributed to help solve the peasants' problem, and what criteria will be used for appropriating those lands?

[Answer] The problem of the landless peasants and those displaced by the war is a national problem, and it should be confronted patriotically by all Nicaraguans. The country is dealing with it by devoting material resources to solving it, and we believe that agriculture and livestock producers must also make an effort to share the material and territorial resources available.

State First to Give Land

In this regard, the first contribution will be made by the state, which holds national lands and enterprises that could undergo a process of rationalization and an examination of their territorial holdings. They could easily turn over a considerable amount of land without interfering with their productivity. Even if their productivity were affected, it would be for the benefit of the people.

[Question] How will you resolve the dilemma of having to expropriate private holdings that are being farmed efficiently, while at the same time defending the principle of safeguarding efficiently-exploited property?

[Answer] We are going to resolve a historic problem, but in doing so we will apply criteria that uphold the essential spirit of Agrarian Reform: The state guarantees the land ownership of all those who work efficiently. There is one exception to this general rule, and it is that if in a given area there is no other way to solve the problem of the landless or displaced peasants, we will examine the alternatives. If there is efficiently-exploited property in this area, the first thing we will do is see if we can divert the pressure to another place, even by displacing the peasant community.

This is a true reflection of the spirit of the law. If this is not possible, then we will have to seek negotiations, and if the landowner does not want to negotiate, the law gives the Ministry of Agricultural-Livestock Development and Agrarian Reform (MIDINRA) the power to expropriate the land. But we are talking about an exceptional and extreme case that could arise in places where there are more poor peasants and more pressure to obtain land.

We have a number of criteria for channeling peasant pressure in such a way that it will not harm an efficint and patriotic farmer. The first criterion is whether the land is a latifundio holding. We use this criterion because we do not want to cause any serious damage to a medium-sized farmer; we do not agree with expropriating medium-sized holdings, especially if they are efficiently run. And we forbid any expropriations of small holdings; we will not authorize them under any circumstances.

Distribute Idle Holdings

We observe, then, that if the holding is of latifundio dimensions, then it is preferable to expropriate it. In the second place, if the landowner is outside the country, does not work the land directly, and actually has another source of income or a profession, then the expropriation will not damage him too badly.

Of course, there are some criteria that totally preclude the possibility of expropriation: if the farmer works the land directly, if he supports himself and his family with income from that holding, and if he lives on the property, or is a small or medium-sized farmer.

Actually, we should take a more positive approach: The law has been reformulated to benefit the poor peasants, seeking in any case a means to distribute the land held by idle proprietors.

[Question] With the intensification of the land distribution, is the state in a position to supply the peasant with all the credit, inputs, and technical support necessary for him to work the land?

[Answer] What the Revolution has to give right now is land, and giving it is enough; in a later phase, we will implement economic development policies, but in the beginning, we will give away the land so that peasants can work on it and earn a living.

Clearly when we grant title to a plot there are a number of services that the Revolution guarantees the farmer. First of all, credit; a certain amount of technical and organizational assistance, albeit limited; help in obtaining inputs, tools, and in the case of cooperative associations, sometimes even tractors and some more sophisticated elements such as irrigation.

There are some situations that limit the investments that we can make. This is true of the peasants displaced by the war, whose problem we are solving with the settlements and the specific areas of land for them to farm along with one or more families.

As for the settlements, we are supplying the entire infrastructure--we have already built more than 160 settlements in the country, which are small rural towns--and in the case of the areas turned over to the displaced in particular, to a certain extent they are given title to that land. At some point, however, when the war ends, they may return to their homes.

[Question] When you talk about providing land so that peasants can subsist, does that mean that the marketing of their products is excluded?

[Answer] When we turn over the land, we go through a basic process of entitlement that first involves calculating how much land a family would need for its own consumption and to generate a surplus.

We estimate about 40 manzanas per family in livestock areas, 2 manzanas where there is irrigation and vegetables are grown, and 12 to 15 manzanas for farmlands. This implies that family income is based on the production of a surplus.

Agrarian Reform does not promote agriculture for self-consumption; quite the contrary. We are trying to promote specialized agriculture, because subsistence farming entails marginal production that families must engage in because they cannot establish any ties to the market.

We feel, then, that if the land is suitable for farming, then it must be planted in beans or corn or sorghum along the entire production spectrum; that is, the product must be sold so that other products can be purchased. We are talking about family agricultural units of a commercial nature that are capable of generating a surplus to ensure the family's living.

[Question] Does Agrarian Reform include giving land to medium-sized producers who, like the ranchers of Chontales, need summer pasturage in wet areas for their livestock?

[Answer] In the case of medium-scale production, the Revolution guarantees landownership not only to efficient operations, but also to family operations.

Some farmers clearly are more successful than others due to a number of factors that make them grow. In the case of the Chontales ranchers, once they reach a point that they have too many animals on their medium-sized property to subsist on the available pasturage (at least during the dry season), they need more land for extensive ranching.

But we feel that this type of expansive solution leads to greater pressure and competition for land, and therefore we will work in the direction of intensifying ranching, seeking to create summertime feedlots or solutions that the ranchers themselves implement for their development. We are giving priority to providing security and economic guarantees to medium-sized ranchers.

[Question] What are the production goals of the current Agrarian Reform Law?

[Answer] Agrarian Reform has to take place at a given point in time, and in Nicaragua's case, the needs are social and political rather than productive.

Recently I received a letter from a rancher who said that if his propertywere expropriated because he owned 7,000 manzanas, the country would lose $500,000 from the expropriated land, since he was one of the most efficient producers in the country. He noted that if there were 2,000 ranchers like him, this country would be able to export $1 billion worth of meat.

What this man did not take into consideration is that if there were 2,000 ranchers like him in Nicaragua, 1.5 million peasants would have to go into fishing or leave the country, because if we multiply those 7,000 manzanas by the 2,000 ranchers he mentions in his letter, we would get a total of 14 million manzanas, which is practically the entire surface area of Nicaragua.

In other words, we cannot look at the problem simply from the production standpoint; we must also consider the unjust distribution of the resource that is land, which was monopolized by a few while the vast majority of Nicaraguan peasants had no access to it.

This may even entail negative consequences for production in some instances, but the experience we have had in recent years has shown us that such changes can be undertaken without drastic declines in production, which had been expected.

That in itself is an accomplishment. I think it is feasible, however, that as we improve the organization of production, investments for peasants and cooperatives, and the organization of state enterprises, agricultural and livestock production will undoubtedly grow.

Improved Yields from State Property

There is one very positive development from this standpoint. The peasant sector used to produce just 8 quintals of beans per manzana, or 10 to 12 quintals of corn in marginal or mountainous soils. Now that sector has been moved to top-quality lands, which will boost--and has already boosted--the production of basic grains.

In addition, the state productive sector has obtained higher productivity than those lands yielded when owned by the Somocistas. Hardly anyone realizes that the holdings Agrarian Reform received to form the state enterprises were decapitalized, destroyed units of production that were mostly inefficient operations.

Since the triumph of the Revolution, the enterprises have improved these yields. In coffee, productivity is now 17 gold quintals per manzana, compared to the previous figure of 9. Rice, sorghum, and irrigated corn yields have improved. Banana production has been maintained or increased in a sector that used to be run by a transnational corporation. In short, we are making an effort to imrpove yields, and the result will be greater availability of goods.

8926
CSO: 3248/334

PLI'S CORONADO INTERVIEWED ON REVOLUTION, NATIONAL DIALOGUE

PA181458 Managua EL NUEVO DIARIO in Spanish 17 Apr 86 pp 1, 8

[Interview with Eduardo Coronado, "prominent member" of the Nicaraguan Independent Liberal Party, by an unidentified reporter; date, place not given -- passages within slantlines published in boldface]

[Text][Reporter:] Dr Coronado: We tried to interview you several times and you always refused. Why?

[Coronado:] Because EL NUEVO DIARIO is considered an official newspaper. We are very protective of our stance as an /independent/ political party. Experience has proven that you publish only items that benefit the government. That is why we avoid making statements to EL NUEVO DIARIO. I have acceded to your request today because you promised to publish my statements unaltered.

[Reporter:] Define the PLI's [Independent Liberal Party] style of liberalism.

[Coronado:] It's simple. We do not adhere to preconceived standards. We uphold freedom as the ideal that frames our interpretation of current events and future trends. It is the basis for our vision of an economic, political system that will satisfy the material and spiritual needs of all the Nicaraguan people, not only those of a minority.

[Reporter:] Are you speaking about freedom for a few or freedom for the masses?

[Coronado:] If I were a member of the FSLN I would say for the masses, but as a liberal I must say for both. This does not mean that the minority will be free to exploit the masses as has been the case in the past,but that the minority will unite with the masses to ensure a harmonious life for all Nicaraguans without hate or grudges. Minorities are respected in democratic regimes because they keep the power of the masses in check.

[Reporter:] What line will you follow if you become president of your party?

[Coronado:] We will staunchly uphold the party's independent stance. We will lean neither to the left nor to the right. The PLI must struggle to remain in the center of the political spectrum to prevent it from being dragged to extreme positions or into the East-West conflict.

We will also struggle to maintain and strengthen the party's unity and /national unity/ between all of the country's democratic, patriotic forces to lead this revolution down a proper path, not a path that is alien to our national spirit.

We firmly believe that this revolution cannot be labeled with alien tags. It would be wrong to attempt to label it /made in the USA/ because that would negate the revolution and therefore our own struggle. It would even be worse to label it with a /USSR/ tag because that would distort the uniqueness of our revolutionary process, which dreams of bringing well-being and freedom to all Nicaraguans.

[Reporter:] What should the Nicaraguan revolution be like?

[Coronado:] Ideologically it should strictly adhere to the principles of nationalism, Latin American unity, and nonintervention. In practice, it should follow political pluralism, a mixed economy, and nonalignment.

Political parties should be able to act without obstacles and have access to power on an equal level with the ruling party through civic means. The party that wins will thus be the people's choice and not imposed through coercive means. That is political pluralism.

With regard to a mixed economy, the state sector should be an efficient producer, not only a political mobilizer. Cooperatives should work freely, without fear or pressure. Private businesses and technical and professional sectors should enjoy ample guarantees with regard to property, sources of employment, and civic and political rights to feel secure and thus encouraged to produce and invest.

Nonalignment should mean that our revolution has its own image before the world, its own voice and beliefs. We should be a free, sovereign state, not a reflection or echo of other systems that are alien to our Latin American spirit.

[Reporter:] How can that be achieved?

[Coronado:] Through a /national dialogue/ between all of the country's civic forces. I base this on the premise that all of us who have chosen to stay in Nicaragua want to live, work, and die here. We must then unite all of our efforts to advance a revolution that sums up all of the country's democratic patriotic sectors, ideals to attain progress and well-being for all Nicaraguans.

[Reporter:] What about the aggression, Doctor?

[Coronado:] That sore will heal if we succeed in reaching a national consensus. Then all of the country's political sectors will decidedly oppose the war imposed on Nicaragua without hesitation, and among all of us we will find the appropriate way to end the war and united work to reconstruct Nicaragua.

[Reporter:] How is your campaign going?

[Coronado:] I have received the mass support of all of the nation's members. They know my background and my firm allegiance to the party's independent, progressive posture. My strongest credentials are honesty and discipline with regard to the party's principles and goals. I am confident that I will win.

/12929
CSO: 3248/383

POTATO PRODUCTION, MARKETING PROBLEMS EXPLAINED

Managua BARRICADA in Spanish 7 Mar 86 p 3

[Text] The limited supply of potatoes seen in the country's markets is due to the reduced planting area in the main producing regions (I and VI), but in addition, the lack of a definition of the marketing mechanisms by the MICOIN, the body which will take over control of some perishables, through the ENAPER, is having a serious effect.

Currently, between 200 and 400 quintals of produce are arriving at the wholesale market daily. Because of the limited supply of perishable items, the trade-regulating and norming team working at this marketing center has decided to establish controls governing the potatoes delivered there, which are distributed equitably among the wholesale merchants. They in turn distribute the product equitably and justly to the Managua market retailers, as well as those of Occidente, Bluefields and Region IV.

Ceilings of 4,700 cordobas and 5,200 cordobas per quintal have been established for red and white potatoes, respectively, for retailers at the wholesale market. They in turn sell the product for 70 cordobas per pound in the capital markets.

Reasons for the Situation

Gustavo Toruno, a member of the UNAG production team, explained the factors affecting the limited supply of this product to BARRICADA.

This official said that between 2,200 and 2,500 manzanas [blocks of land] have traditionally been planted in Las Segovias, as well as Matagalpa and Jinotega, but during this period, the area planted has been reduced, for various reasons.

Toruno said that to produce potatoes in a dry area, terraced planting cannot be done, because equipment for irrigating the crops is unavailable.

Reduction of Area

Traditionally, potato planting has been done on a haphazard basis and on a large scale. However, during this period, the area planted has been reduced due to other factors. For example, there was a reduction in Las Segovias because of a government decree prohibiting the planting of perishable crops within a kilometer of tobacco fields, because the two crops belong to the same family and a plant disease in one area might threaten the other.

The shortage of imported seeds, as well as supplies for local planting, also caused a reduction in area. Jorge Alberto Valeriano of the production department in Las Segovias said that during this farming cycle, only 70 manzanas of potatoes were cultivated for consumption in Jalapa, Pueblo Nuevo, Condega, La Trinidad and Esteli. During the comparable period last year, more than 400 manzanas were under cultivation.

Gustavo Toruno, for his part, said that the lack of an infrastructure for storage is a factor which has traditionally resulted in serious losses to producers, with the result that some farmers in Las Segovias have abandoned this crop and turned to the planting of basic grains, garlic and cabbage.

However, he said, because of the economic losses experienced, the UNAG and MIDINRA have joined together in a cooperative effort to build storage warehouses with national funds and foreign financing.

"This year," he said, "we will provide a better response to the need to raise and store potatoes." He explained that six storehouses have been built in Las Segovias, Matagalpa and Jinotega, with temperature conditions suitable for the storage of 70,000 quintals for consumption and almost 30,000 for seed.

After listing the four factors which have affected potato production, he reiterated that the producers are ready to overcome them and make every effort to maintain production levels which are acceptable, given the real conditions in the country.

However, he emphasized the need for the bodies responsible for the marketing of potatoes to pay prices consistent with the high production costs, in order to leave the producers a certain profit margin.

5157
CSO: 3248/332

FOOD, TRANSPORT, FUEL PRICE INCREASES ANNOUNCED

Managua LA PRENSA in Spanish 10 Mar 86 pp 1, 6

[Text] While announcing a 50 percent wage increase, the government also revealed that new prices will go into effect today for basic consumer products, gasoline and its byproducts, transportation and public services.

The document made public yesterday morning, Sunday, increases prices on basic products by 100 to 200 percent, with milk going from 18 to 40 cordobas per liter and a carton of soft drinks from 600 cordobas to 1,900.

The complex of measures approved by the government also covers gasoline, which has gone up from 120 to 180 cordobas per gallon, while diesel fuel will cost 110 and liquified gas for cooking will go to 1,450 cordobas per 100-pound tank, 320 per 25 pound-tank and 120 per 10-pound tank.

The list of basic products, which pertains exclusively to those distributed in the so-called ENABAS workers' supply centers and retail outlets, shows the following prices:

Forty cordobas instead of the previous 23 per pound of rice, 75 cordobas for beans, 35 cordobas instead of the previous 19 for corn, 15 cordobas per pound for sorghum, 35 per pound for sugar and 65 for refined sugar.

The increases cover prices to the producer to encourage production, an aspect which has affected the current situation, according to the government communique. Thus producers will receive a higher price for animal, industrial and farm crop products.

The price list announcement goes on to say that milk will cost 40 cordobas per liter, eggs 240 per dozen, as compared to the earlier price of 180, chicken 220 instead of 160 per pound, salt 15 instead of 6 per pound, and vegetable oil 600 per gallon and 160 per liter, while fortified soap will go from 19 to 55 cordobas.

Laundry soap will go from 18 to 45 cordobas, matches from 2 to 8 per box, detergent powder from 15 to 25 cordobas per bag, and toilet paper from 18 to 55 per roll.

Toothpaste, formerly 57 cordobas, will now cost 90 per tube, sanitary napkins, which previously cost 55 cordobas, will now cost 95 per bag, solid deodorant has gone up to 250 cordobas and toilet soap has increased from 23 to 50 cordobas per bar.

With regard to public services, the increase per kilowatt of electrical energy will push light bills up substantially. The cost per kilowatt is now 8 cordobas, as compared to the previous 2.4.

The cost of drinking water has gone to 48 cordobas per meter, as a result of the increase for petroleum products, which power all of the water-pumping machinery, as well as electrical energy.

The General Income Office has also announced new prices for carbonated drinks, cigarettes, beers and rums, the most dramatic being the increase per carton of soft drinks, which as of today will cost 1,900 cordobas.

A carton of beer now costs 2,200 cordobas, rum, in cases of half-gallon bottles of Flor de Cana Negra, will cost 14,000 cordobas, or 11,520 per case of 24 bottles, and the same price will prevail for half-bottles.

The price increase for Flor de Cana Extra Dry is 14,500 cordobas per case of half-gallon bottles. Vodka costs 11,760 per case and Plata Rum costs 6,900 cordobas per case.

Cigarettes have gone up from 50 to 100 cordobas per package for Alas, while others are 90 cordobas. The retail price for rums has not been provided, although it is presumed that the norms will be established by this same General Income Office.

In the transportation sector, the increases are for interurban travel and freight transport, as well as taxis, which will cost 30 cordobas during the day and 90 at night.

On the interurban and rural routes, for example, a ticket from Managua to Esteli will cost 85 cordobas, one from Managua to Somoto 120, one from Corinto to Managua 80, and one from Managua to Nueva Guinea 410 cordobas.

Ticket prices for express buses are being increased, according to the transport regulations. Even a UNAN transfer will cost 3 cordobas.

Increases in the transport sector include those for interlocal taxis, main interurban routes and departmental taxis, for which the cost has gone up to 30 cordobas, with a zonal crossing costing 5.

Where wages are concerned, the Ministry of Labor has decreed that all categories will receive a 50-percent increase, retroactive to 1 March, and the wage ceiling, that is for Category 28, has been increased to 87,600 cordobas.

On the other hand, the increases mentioned above have already begun to affect the consumer. A tortilla sold for 20 cordobas as of this morning, whereas the previous price was 10.

It has also been announced that the price of local periodicals has gone up to 30 cordobas, in accordance with the request submitted earlier, since wages have gone up 150 percent in some cases in three months' time.

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CSO:3248/332

NICARAGUA

BRIEFS

PSD NEIGHBORHOOD PLAN--Sixteen neighborhoods in the city of Managua have been organized to date by the Social Democratic Party (PSD) of Nicaragua, in the successful continued development of the Managua 86 Plan, the communications division of that political party announced today. This source said that the Managua 86 Plan is being headed by Dr Manuel Matus Sequeira, political training secretary of the PSD, and Hugo Torres, who represents this group in the National Council of Political Parties. The communications division of the PSD, in announcing that "the success of the plan is due to the acceptance of our ideology by the people," explained that the neighborhoods organized to date include Monsenor Lezcano, Linda Vista, Las Brisas, Valle Dorado, Acahualinca, Barrio Cuba, Santa Ana, Riguero, Altagracia, San Judas, San Luis, Reparto Pedro Joaquin Chamorro, Bello Horizonte, Primero de Mayo, Villa Venezuela and Colonia Tenderi. It was also announced that the plan in question will continue until the organization of the whole of the capital city has been completed. With this in view, the activists working on this plan will be augmented by 15 young people who are graduating as activists at the PSD headquarters. [Text] [Managua LA PRENSA in Spanish 7 Mar 86 p 1, 6] 5157

PSC YOUTH ELECTIONS--The youth of the Social Christian Party (PSC) held their national congress this weekend to elect new officers and approve important resolutions. Dr Julio Ramon Garcia Vilchez, vice president of the PSC, gave the inaugural address at the event, which was attended by delegations from almost all of the departments in the country. This top-level gathering of the Social Christian young people elected Fanor Avendano Jr as secretary general. He was nominated by the delegation from Masaya. Avendano is an outstanding PSC youth leader who has been fully identified with the problems of young people and has proved to be a magnificent organizer. The consensus is that the Social Christian youth emerged from their congress strengthened, and there are concrete plans for broader work throughout the country on both the organizational and ideological levels. The officers elected were Fanor Avendano, secretary general; Marco Herrera, deputy secretary; Mario Alvarado, political training; Julio Ortiz, organization; Osman Uriarte, student affairs; Denis Mayorga, finance; Salvador Potoy, propaganda; Horacio Larios, social affairs; and Justina Manzanares, culture and sports. [Text] [Managua LA PRENSA in Spanish 18 Mar 86 pp 1, 6] 5157

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END

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ARGENTINE, CHILEAN BUSINESSMEN HOLD REGIONAL INTEGRATION TALKS

Santiago HOY in Spanish 31 Mar-6 Apr 86 pp 28-29

[Article by Hugo Traslavina]

[Text] Without having issued it a formal invitation, the organizers of the First Academic-Business Conference on Chilean-Argentine Integration were graced with the presence of a guardian angel who ensured the success of the meeting: the Treaty of Perpetual Peace and Friendship signed by the two countries within the framework of papal mediation.

If this had not happened, it would have been very difficult for the 120 participants to withstand the marathon program of talks, panels and forums. The long days went from 0900 to 2100 hours, and in 4 days Chileans and Argentines were able to realize their integrationist aspirations. The program took place from 19 to 22 March in two hotels in Vina del Mar. The opening ceremonies were held at the city's Municipal Theater.

Since the Peace and Friendship Treaty took effect in May of last year, "no other bilateral meeting has displayed such a willingness to put into practice the spirit and letter of that document," commented Hernan Narbona Veliz, executive secretary of the conference and a professor at the Catholic University of Valparaiso, to HOY.

Of the 120 participants, 70 came from the Argentine provinces of La Rioja, San Rafael, San Luis, and Mendoza, all in the vast region of Cuyo. The 50 Chileans, almost all from Region V, were representatives of local trade associations such as the Association of Valparaiso and Aconcagua Manufacturers (ASIVA), the Maritime Chamber, the truck drivers, and professional societies. Also present were academics from the universities in Valparaiso. The only government representatives who participated actively were a few officials of Serplac and ProChile in Region V.

The authorities were present only at the opening ceremonies. Later the participants delved into the technical and economic matters on the conference agenda.

The organizers, the Catholic University of Valparaiso and the Mendoza Institute of Economics and Organization (INSTECO), spent a long time before the conference studying the problems affecting trade between Cuyo and Region V. For this reason, they selected the topics for debate carefully. Among the topics were: the export potential of the two regions, land transportation between Mendoza and Valparaiso, joint business ventures, legal and bureaucratic obstacles, and the comprehensive framework of the integration process.

The Argentines expressed their eagerness to open up new markets for their goods in the Pacific Basin, using Chilean ports. At the same time, the hosts expressed their interest in gaining access to channels for their exports to Cuyo and other countries surrounding Argentina. Although the immediate purpose of the meeting was to "open up a dialogue" and no pacts were signed or specific projects initiated, "the most valuable aspect of all was that the groundwork was laid for the economic coordination that Chileans and Argentines desire, beyond the snail's pace imposed by official policy," stated INSTECO Director Luis Abrego.

Political Obstacles

According to Cesar Hugo Franco, trade director of the province of San Luis, "we all know that the main obstacle to Chilean-Argentine integration is political, and this is confirmed by history. But given that government officials played a peripheral role in this meeting, we were able to establish an open and candid relationship which will serve as a basis for undertaking major projects."

Other factors contributed to the positive atmosphere. Luis Abrego pointed out one which he considered essential:

"Here we spoke on an equal footing, province to province, without being hampered by the centralism that characterizes both countries. But I should acknowledge that the problem is much more serious for us: Buenos Aires monopolizes the political power, the economic power, and the port; Santiago, on the other hand, has only the political and economic power, because it has no port."

Abrego stressed that "immediately after the Treaty of Peace and Friendship was signed, the provinces of Cuyo began to study the possibility of installing dry ports oriented toward Chile." They are very much interested in establishing markets on the west coast of the United States and in Southeast Asia. Chilean ports obviously provide a more direct route, and are comparatively cheaper than Buenos Aires, as pointed out by Chilean engineer Alejandro Patillo in his presentation on "Comparative Advantages of Transit through Region V."

Francisco Orrego Vicuna, an attorney and former ambassador who is now with the Institute of International Studies of the University of Chile, analyzed Chilean-Argentine relations from a broader perspective. Drawing on the findings of a recent study, he explained why most projects and institutions that promote Latin American integration have failed. Specifically, he stated:

"First, all of them tend to seek general frameworks instead of specific ones; second, all these agencies are based on models with juridical superstructures, and ignore the grassroots reality; third, all these agencies tend to become self-sufficient, and enter into a kind of conflict with reality; fourth, a utopian vision tends to supercede pragmatism in them; and fifth, they end up becoming bureaucracies, which prevents them from carrying out grassroots projects."

Orrego used the term "grassroots" to refer to trade associations, businessmen, and people who are seeking direct integration.

He expressed optimism over the fact that recently he has observed "a change of direction in the process." He describes it as "the search for specific integration mechanisms, taking into account the grassroots realities, without bureaucracy and without ideology."

According to Orrego, the questions asked by the people at the grassroots are practical ones: "What do we want to sell, what do we want to buy, what do we want to know, what do we want to show?" The answers can be provided with more accuracy and "dynamism" by the businessmen, workers, tourists, technicians, academics, and artists, than by the officials of integration agencies.

GEICOS Experience

In fact, some official measures were severely criticized at the meeting for hindering integration rather than promoting it. Both Chileans and Argentines excoriated the Agriculture and Livestock Service of Chile, for example, for recently stepping up its requirements for plant protection controls on the agricultural goods exported from Cuyo through Chile.

Francisco Orrego's ideas were backed up by the practical experience related by Radoslav Razmilic, an Antofagasta businessman who is president of the Chilean Chapter of the Interregional Businessmen's Group of West-Central South America (GEICOS). This organization has 11 years of experience in searching for ways to coordinate economic measures through direct negotiation among its members.

Razmilic stated that even though GEICOS has been misunderstood by government officials and by many people, "we have been successful because we go by the ethical principle of good faith, and because we are most willing to continue overcoming all the obstacles placed in our way by harsh reality." The audience took great comfort in what this businessman said.

The Argentines' keen interest in obtaining easy access to the Pacific was reflected the first day when the president of the Bank of Mendoza, Ricardo Aurelio Mastronardi, stated forcefully:

"There is no doubt that we are going through a stage in the history of trade that will be known as the era of the Pacific, and although it will not attain full development until the 21st century, it has already begun to take effect. In view of this trend, we should take steps to ensure that we are not left behind. Latin American trade has increased considerably in recent times with Japan, the USSR, the People's Republic of China, Taiwan, and South Korea, and this boost is not in vain."

The conference delegates from the port, who have seen Valparaiso gradually deteriorate in recent years, took heart in what was stated.

Aside from the new atmosphere provided by the Peace and Friendship Treaty, the integrationists soon began to have faith in their own strength, as someone said slyly, "thanks to the absence of the usual bureaucrats."

Integration: The Challenge of Transportation

The experts have studied the port situation with great interest. Among them, the College of Engineers of Chile has devoted particular attention to this matter, because it regards the Pacific Ocean as a great door to investment. Its Transportation Committee drafted a "Plan for Organic Integration" that attempts to provide a solution to the immobilization of the port. If it is approved and implemented, they claim, the plan will reactivate the port and provide employment to thousands of jobless workers.

The plan advocates the unification of regions far from Chile--such as the Argentine Cuyo, western Bolivia, and even Paraguay--with the principal ports of Chile. Thus, these countries would be able to transport their goods over Chilean highways or railways and send them abroad through the ports of Antofagasta, Valparaiso, or Talcahuano.

The professionals feel that this initiative would benefit the port sector and a broad range of services that are now in a state of stagnation.

Froilan Sanhueza, an engineer who directs the College of Engineers Transportation Committee, told HOY that "the problem of integration is of fundamental importance. But for its complete success, we must have a good transportation system, or else the plan would be impossible."

The study calls for the delineation of three key zones, based on their geographic location and their access to the Pacific: the first zone would be the northern one, corresponding to the port of Antofagasta; the second one would be called the Central Region; and the third one would be the southern zone, and would include the port of Talcahuano.

The plan is almost completed now. It has not yet been officially presented, but Chilean engineers are optimistic. There are good precedents: "The Brazilian cities of Belem and Brasilia saw their GDP grow tenfold within 10 years of being linked by highway." Froilan Sanhueza stresses: "The best investment a country can make is to build a good transportation system."

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NEW MONETARY SYSTEM TO BE PROPOSED TO REGIONAL LEADERS

Santiago EL MERCURIO in Spanish 28 Mar 86 p B2

[Text] A proposal to create a Latin American financial and monetary system based on a supranational currency--ALA, Latin American Alliance--that would serve as a means of payment and international reserves, will be sent to the presidents of the region in the next few days.

According to its authors, Chilean economists Eduardo Galletti and Elizardo Munoz, "the dimensions of the problems faced by the countries in this region, whose causes and consequences transcend the local sphere, demand that we seek shared solutions in a world of increasing interdependence. These solutions will join together vast conglomerates of human beings capable of playing a key role in a world characterized by the presence and actions of global powers."

It is in this context, based on the common cultural roots and the similarity of the problems faced by these nations (which constitutes the principal strength that makes their integration possible), that the Latin American Financial and Monetary System is being proposed, they stated.

The system "is not a means of commercial compensation based on reciprocal credit agreements, nor is it a mere reserve fund. Rather," said Galletti, "it is a system that will be oriented primarily by a Latin American central bank. It will create the supranational currency and will operate on the extraregional, international level through a Latin American foreign trade bank, investing the ALA currency. It will also operate at the domestic level, through the national central banks and a Latin American corporation for promotion and development. In conjunction with local governments, it will finance economic and social development plans that are harmonious and integrated, as well as technical assistance and technological development."

According to the economists, the system will allow the countries to face their foreign debt problem and avoid the problems entailed in the use of foreign currencies from outside of Latin America in the transactions carried out among the countries of the region. It will also rationalize the overall use of foreign exchange, expand domestic markets, allow for the expansion and opening of markets outside the region, and increase the capacity to attract external savings, modifying the structure of the foreign debt.

The new currency, according to the proposal by Galletti and Munoz, will be used as an international means of payment and a reserve currency.

The economists' document, which will be sent soon to the various embassies of the Latin American countries, consists of 30 pages. It explains the reasoning behind the proposed system in great detail, and also outlines the general features of the system's operation and the political decisions that are required.

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PARENAZON OPENS OFFICES IN BUENOS AIRES TO FOSTER TRADE

Santiago EL MERCURIO in Spanish 31 Mar 86 p C2

[Text] Punta Arenas--The Punta Arenas Free Trade Zone (PARENAZON) has opened up offices in Buenos Aires and Rio Gallegos for the purpose of facilitating Chilean-Argentine commercial and industrial exchanges, reported the general manager of that commercial-industrial institution, Juan Enrique Mattson.

The executive indicated that these branch offices will be formally opened soon, with inaugural ceremonies conducted by PRENAZON and Argentine officials.

He expressed optimism about the present and future of this complex, given that "1986 marks the beginning of a period of overt expansion, because of both the active presence in our neighboring country's territory and the industrial consolidation on the domestic regional level," he asserted.

He explained that in 1985, US $173 million was invested, and now 800 people are being employed directly, while hundreds of others are working in the system.

The commercial center seems to be an obligatory stop for residents and tourists alike; a total of 1.55 million people went there last year, and 961,000 transactions took place, involving 95,000 tons of goods.

Argentina

Mattson reported that PARENAZON will soon extend its activities into the Argentine territory of Tierra del Fuego (Rio Grande), an area which enjoys customs and tax exemptions. There is potential for joint projects and binational enterprises in that region.

He explained that Argentine business representatives from that area have expressed a keen interest in using PARENAZON facilities and the port of Punta Arenas to ship their products to other countries.

This free zone comprises 120 firms which are installed at the site in Bahia Catalina, in addition to another 600 merchants who sometimes use the facilities. The industrial and commercial park covers 25 developed hectares, and includes 71 buildings with private storage facilities. In addition, the

Administrative Corporation maintains some 20,000 square feet of office space and public warehouses for all kinds of storage, including modern refrigeration facilities with a 2,000-ton capacity.

Industrial Field

The executive asserted that in the past year, following the normal pattern for nearly all free trade zones in the world (it takes them about 10 years to develop fully) "we have activated the installation of industries in 1985."

He stated that at this time the zone has six manufacturing centers, of which two are international in scope. The first is a shipyard where high seas fishing vessels are built. The first six units have already set sail. The initial investment in this project was more than $2 million, with financing from the Production Development Corporation (CORFO). He explained that the technology is entirely Chilean, and will yield savings in foreign exchange of $5 million.

Another industry, involved in the construction of modules and equipment for the oil industry, is also in full operation, using royalties or licenses acquired abroad. At present it is producing modules for oil drilling platforms for the National Petroleum Enterprise (ENAP), specialized aseismic camps, and other types of facility for this sector.

He stressed that the first module was made and delivered to the full satisfaction of ENAP, which has rigorous standards in this field, at a cost of $350,000. Each module represents a savings of about $200,000 to the country.

"Given their characteristics, these two industries are capable of competing internationally with similar firms in other nations. They are so important that in recent days, talks have been held with businessmen from Santa Cruz," said Mattson.

he pointed out that specifically, the oil drilling module industry has plans to locate in Argentina and begin producing parts with Chilean technology. These parts will then be sent to the province of Santa Cruz and that of Chubut.

He said that this idea was well received in Argentina, given that the neighboring country is now beginning intensive drilling in its Offshore Project.

There are also industries in the textiles, graphics, and fishing sectors. In this regard, Mattson indicated that a trans-Andean firm called "Trade" has already been installed in PARENAZON. "It will be able to store goods in the free trade zone, and from there send them to Ushuaia, Rio Grande, and other locations."

He also asserted that Argentine officials are studying PARENAZON's prospects, looking specifically at Puerto Montt and further south, with a view to facilitating the transfer of goods through Puyehue Pass. He announced that for this purpose, a PARENAZON office will be set up in the capital of Region X, Los Lagos.

Mattson reported that the Argentines are interested in importing lumber, fish and seafood, and that during his recent trip to the neighboring country, he had met with Santa Cruz Minister of Economy Carlos Esquivel. The minister "agreed to cooperate in the creation of binational enterprises."

Under the plan for joint projects, experts are looking into the possibility of bringing in Argentine cement to be mixed with wood chips to make thermal insulation panels at low cost.

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HAVANA RADIO SEES CHILEAN, PHILIPPINE PARALLEL

PA220001 Havana International Service in Spanish 2300 GMT 20 Apr 86

["Our America" commentary]

[Text] Recently, when Admiral Jose Toribio Merino, chief of the Chilean Naval Forces and member of the fascist Junta, described Ronald Reagan as insolent, he revealed that there are differences between Pinochet's dictatorship and Washington. Of course, no one should be fooled by this. This does not mean that Reagan is a staunch defender of democracy and liberty. Augusto Pinochet simply seems to have played the role assigned to him by imperialism and now, just like in Haiti and the Philippines, there is a need to replace him. The intention is to prevent Chile from escaping Yankee influence, by making controlled changes. In a single phrase, the idea is to undermine the Chilean popular movement.

The U.S. comedy began with U.S. support for a new UN report on human rights violations in Chile, which is unheard-of in the political arsenal of the current U.S. Government. This was followed by Statements by U.S. officials on Pinochet's excessive repression. Susan Pikeman, chief of the America Department of the U.S. Council on Foreign Relations even ventured to say that in Chile it was necessary to find another figure like Corzaon Aquino, the current president of the Philippines. Secretary of State George Shultz himself felt no constraint about describing Pinochet's regime as a dictatorship, during a recent visit to Western Europe.

This Yankee policy, which is as pharisaic as its shameless aggression against independent peoples, is nevertheless, a lesson for those in the world who believe they are very secure under Washington's protection.

Jean-Claude Duvalier and Ferdinand Marcos had to flee their privileged posts under pressure from the empire, which was greatly afraid of the people's wrath.

The Libyan crisis proved to Western Europe that the White House does not believe in its allies' advice when it wants to put its destabilizing whims into practice.

Pinochet should undoubtedly be alert in view of these initial threats. Actually Reagan practices the old slogan like his contemporaries in the mafia: I am your friend as long as it is convenient.

Considering the increased revolutionary struggle in Chile, it would not be strange if we someday receive news that Pinochet has flown in a U.S. military plane to a safe refuge and that a Washington puppet, disguised as a democrat, has assumed power in that long-suffering southern country.

For U.S. imperialism, the same question that applied to Haiti and the Philippines is now pertinent. How long will the maneuver be effective?

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ARGENTINA

ARMY CHIEF DISCUSSES 'WAR ABUSES' TRIALS

PY261205 Buenos Aires DYN in Spanish 1420 GMT 25 Apr 86

[Text] Buenos Aires, 25 Apr (DYN)--Army Chief of Staff General Hector Rios Erenu today said that the official decision to give a legal definition to the principle of obedience will bring tranquillity to the low-level Armed Forces members, adding that this "clarification" provides "a more appropriate framework for the final decision by the courts."

Asked by Radio Continental about the situation stemming from antisubversive war abuses, Rios Erenu replied: "These instructions should now be used by the Armed Forces Supreme Council and by the regular courts of the federal chamber. We obviously have to await the completion of the trials, the confirmation of the evidence, and the corresponding sentences."

He noted that "no doubt this answers a few questions. Because of a lack of knowledge in most cases and publication by ill-intentioned people in other cases, there was a state of anxiety in the Armed Forces, and it appeared that the Armed Forces as an institution was being judged."

Asked to elaborate on what he meant by "ill intentioned people," he said only that "they are those who do not want reconciliation among Argentines, and try to attain through other means what was not attained through armed struggle." He added: "It is sufficient to read what the media are publishing to conclude that there is infiltration in the political arena."

Asked if the preventive detention of police officers in Buenos Aires in the Camps case creates a different situation, Rios Erenu referred to the rules governing officers' responsibilities and said, "I am not the one to evaluate the judgment of the Federal Court" because that would be "entering the field of justice, but in view of that ruling, I see that there are some points of friction."

Rios Erenu added: I do not have access to the evidence of the Federal Court which ordered the preventive detention. I am not the one who has to make an evaluation but I draw my own conclusions of the situation of those who obeyed orders under those regulations."

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ARGENTINA

LA RIOJA GOVERNOR MENEM MAPS STRATEGY FOR 1989 ELECTIONS

Buenos Aires AMBITO FINANCIERO in Spanish 7 Apr 86 p 14

[Article by Luis Calvo Anglada]

[Text] Determined to run for president in the 1989 general elections, Carlos Saul Menem, the governor of La Rioja and one of the so-called "symbols" of renewal Peronism, is set to place all of his prestige on the line in the stormy nomination process of the Peronist Party in Buenos Aires.

The surprising thing is that he will be backing the "independents" led by former Congressman Jesus Gonzalez, not Antonio Cafiero, another of the "symbols" (along with the president of Peronist Youth in the capital, Carlos Grosso).

Guamini

This faction is clearly expanding, bringing in former Herminio supporters and, by and large, those who still back Italo Luder for president of Peronism (whom the renewal faction long ago abandoned) and supporting the emergence of a third faction (the Ubaldini partisans) in the union area.

Menem has been meeting weekly for some time now with Jesus Gonzalez to chart a common strategy. One outcome of these confidential meetings, which have been held both at the Hotel Bauen and in Gonzalez' offices at 2700 Corrientes, will be the trip that the former legislator will take next week through Buenos Aires Province. The first stop on his barnstorm is Guamini, and Menem himself is expected to join him towards the end.

The governor of La Rioja is enthusiastic about the rallying power of the faction headed by Gonzalez, whose aides are Hernan Bernasconi, the government secretary of La Matanza township, and Roberto Piperno; in fact, 29 Peronist mayors in Buenos Aires Province will be formally joining the faction very soon. The governor has provided funding to these "independents" so that, amid the banging of big bass drums (whether there will be clashing cymbals too we do not know), they can open a two-story headquarters in a charming building on Corrientes almost at the corner of Jean Jaures. The incorporation of the 29 mayors and, probably, the announcement of the unveiling of the new headquarters will come at the close of their meeting with Gonzalez.

Dispute

Gonzalez, who at the past legislative elections rejected the third spot on the list of congressional candidates that the Buenos Aires Renewal Front offered him, made thought-provoking statements 4 days ago to Cuban journalist Mario Hernandez de los Llanos, a correspondent of PRENSA LATINA. He asserted that when the 29 mayors join his faction, it could be said to enjoy the support of six million voters, which enables it to run for province governor on its own merits. "Nevertheless," Gonzalez went on to say, "we do not seek to run for governor by ourselves, claiming that we alone represent Peronism in the province; we seek common ground with all Peronists to build unity that is more than just an electoral accord."

More Middle-of-the-Road

As major Peronist figures Gonzalez pointed to Menem, "a real phenomenon, as charismatic as he is beloved by the people," Ubaldini ("at last Peronism has produced a social leader of stature") and Luder ("he is unquestionably the party's future president").

Cafiero has been silent so far about Menem's "treason." His is not an easy dilemma. Either he flatly refuses to negotiate with the interventor that the National Peronist Council has appointed, Julio Mera Figueroa, Dr Saadi's right-hand man, thus institutionalizing the Peronist rift, or else he agrees to, in which case he will also have to negotiate with the independent "submarine" being driven by Menem, his coequal at the summit of the renewal faction.

Menem was on Channel 13's "I Was There" program on Thursday, which was devoted to the events at Ezeiza on 20 June 1973 when General Peron returned to the country for the second time.

His remarks on the program were a clear indication of his return to "more centrist" positions, in spite of his well-known ties to former leaders of the Montonero "faction."

Behind the Scenes

He lashed out equally at "both forms of extremism" and asserted that "the Left took over the government in 1973 and the Right in 1976." Then, after vivid footage of the shootouts and lynchings among Peronists around the speaker's box that had been set up for their leader, Menem surprised the audience by remarking that "the Peronist crisis began with General Peron's death." It was as if he had not believed what he had just seen. Gonzalez is now being proposed as a conciliatory compromise candidate; it actually seems more like a bargaining ploy with Cafiero than a serious candidacy. It might be aimed at assuring that Cafiero will be content with running for governor and not seek the presidency. What is not known about Menem, who has no backing in Buenos Aires Province except for Gonzalez and some in Mar del Plata, is how he plans to offset Grosso, who is already working secretly with Saul Ubaldini with an eye towards 1989.

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INTRANSIGENT PARTY PUTS CONDITIONS ON POLITICAL ALLIANCES

Cordoba LA VOZ DEL INTERIOR in Spanish 7 Apr 86 p 4

[Text] Buenos Aires (DYN-NA-TELAM)--The national convention of the Intransigent Party (PI) will have to decide "in timely fashion" whether to form an election alliance with other political forces, according to a document distributed at the conclusion of yesterday's deliberations at the convention. It also broached the need to revive the unity congress that the CGT [General Confederation of Labor] had called.

With regard to a possible electoral alliance, the document emphasized that "the PI's participation will depend on specific developments on the domestic political scene, on the gains in joint action among the rank and file and on the common ground in programs and methods that takes shape between the PI and other grassroots forces."

It added that in view of this "the convention has decided that any resolution in this regard would be premature at present and will have to be made in timely fashion, aiming at all times at the construction of a genuine, broad-based, permanent and transforming grassroots unity rather than a coalition just for election purposes."

The Socioeconomic Aspect

As for the country's socioeconomic situation, the document stated that "we are seeing a long-range political and economic program designed in practice to form an alliance with the power structure in Argentina while modifying it at the same time."

The convention felt that "this modification aims at building a new ruling power consisting of the modern industrial bourgeoisie, certain foreign companies (involved in state-of-the-art technology and the oil business) and a segment of the agrarian bourgeoisie (tied to food production), displacing mainly segments of the traditional oligarchy and the most savage financial bourgeoisie."

The PI also called for the "staging of the national unity congress that the CGT has urged" as well as the "ratification of the 26 points" that served as the basis for the labor confederation's appeal.

"We cannot wait for the CGT to settle its internal struggles" before starting "a move to rally and bring together all national sectors around a new initiative."

In addition, the convention delegates confirmed that several points in the party's charter needed to be amended, basically to adapt it to the new conditions since the most recent political parties statute was passed.

The complete text of the eight-section document will not be distributed until Wednesday or Thursday. A summary of it, made public yesterday, was read by the secretary general of the capital committee, Marcelo Vencentini, a convention delegate.

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ARGENTINA

SAN JUAN RADICALS REJECT ALIGNMENT WITH BLOQUIST PARTY

Buenos Aires AMBITO FINANCIERO in Spanish 7 Apr 86 p 15

[Article by Ricardo Sarmiento]

[Text] "San Juan Radicals, the national government's strategy is to bring together kindred forces such as the Bloquist Party." Speaking firmly and almost without giving himself time to get settled in his chair at the table where eight leaders of the San Juan UCR [Radical Civic Union] and Facundo Suarez Lastra were waiting, the man who issued this virtual order at the surprise meeting last 20 March was Interior Minister Antonio Troccoli. The ultimate source of the order is, of course, President Alfonsin, who is also the ruling party's top man.

The eight UCR leaders from San Juan who had come to the Interior Ministry were not taken by surprise by Troccoli's remark. Some prior notice had leaked out during preliminary talks. Perhaps this was why their responses were firm and somewhat harsh.

The meeting lasted a bit more than an hour and a half. The virtual order that Troccoli was delivering on behalf of the party's leader was directed to San Juan Radicals Ricardo Colombo (the chairman of the provincial committee), Mario Alberto Gerarduzzi, Domingo Usin, the three national congressmen, along with Osvaldo Mercado (a youth leader), Miguel Moragues, Drs Yanello and Segui and provincial congressman Norberto Marini.

Officially speaking, the proposal was new to the men, inasmuch as this was the first time that the issue had been discussed openly. In any event, Troccoli's tone did not sound like one of consultation; he was instead conveying to them a decision that had already been made. The only thing left up to the Radicals in that Cuyo province was the way in which they were going to put together the political alliance with an eye towards the 1987 elections.

Seven of the eight men immediately voiced their refusal, feeling that it was impossible to ally with the Bloquist Party at a time when this provincial force's popularity has dropped sharply. Even the San Juan UCR has decided not to run along with 12 other parties in the 20 April elections that will decide on the replacements for the two Bloquist congressmen who left the House of Representatives over disagreements with Leopoldo Bravo's leadership.

"If you want to combine votes, you have to remember that in a coalition with the Bloquist Party two and two does not make four. Two plus two makes one in this case," Troccoli was more or less told at the meeting. Only one of the eight leaders is known to have remained silent throughout the meeting.

Options

The San Juan Radicals were told at the 1 1/2-hour meeting that two options were under consideration for resolving the political crisis in the province, which began when two congresswomen were expelled from the San Juan legislature, inasmuch as the administration had avoided resorting to "federal intervention."

One of the options was an alliance with Leopoldo Bravo and the Bloquist Party in the upcoming 1987 elections. Another possibility was to have the San Juan Constitutional Convention, in full working order and with a Radical majority, order the expiration of all elected incumbents' terms and call for general elections. The Radical leaders in San Juan were not consulted on either of these options.

Troccoli then tried to overcome their initial refusal. "We have to seek an arrangement with Bravo. Bravo is a friend of the president. Bravo likes Dr Alfonsin, just as German Lopez does. Alfonsin is everything to Bravo; even his kids are Alfonsin supporters," the minister exclaimed, trying to sound convincing.

The continued refusal of the seven reportedly led Troccoli to take a harsher approach. At one point he apparently told the San Juan Radical leaders that if they did not accept the alliance, "you better look for another party then."

Bravo has also begun efforts to push the alliance through. To this end, he has invited some of the eight men with whom Troccoli met on 20 March to see him tomorrow, Tuesday, at his office at the Council for the Consolidation of Democracy at 462 Tucuman.

The San Juan Radicals are still unconvinced by Alfonsin's proposal or order, however. They have thus asked for an opinion from Jaroslavsky, owing to his well-known influence with the president. "What a tough problem San Juan has," Jaroslavsky said in his only comment on the issue.

Some of the eight Radicals from San Juan will ask for advice and opinions from another influential party sector this week too. They will hold successive meetings with Carlos Becerra, Facundo Suarez Lastra and Enrique "Coti" Nosiglia, all of whom are acknowledged leaders of the National Coordinating Board and high-level men in the party and the government.

Even though Suarez Lastra was at the meeting on 20 March, it was noteworthy to San Juan Radicals that he did not voice an opinion on the issue, which has raised expectations about possible support from the Coordinating Board for UCR rebels in San Juan.

Should the alliance come about, the Bloquist Party itself admits that it might decide to dissolve as a party. Respect for the Bloquist origin of the San Juan senators could be one of the few strings that Bravo might attach before possibly formalizing this much-resisted alliance.

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ARGENTINA

UCR SEEKS BROAD CONSENSUS ON POLITICAL ALLIANCES

Buenos Aires AMBITO FINANCIERO in Spanish 9 Apr 86 p 13

[Article by Ricardo Sarmiento]

[Text] "We have to prevent what happened to Laurent Fabius from happening to us in 1987; because he halfheartedly applied the program that the opposition supported, he had to give up the post of prime minister to Jacques Chirac." This argument put forth by one of the young leaders of the National Coordinating Board seems to summarize the reasons why the highest echelons of the Radical Party are pushing an accord between the UCR [Radical Civic Union] in San Juan and the Bloquist Party with an eye towards the 1987 elections, in spite of the opposition of San Juan Radicals.

This is apparently, however, just one facet of a much more ambitious goal at the highest level of the Radical Party, that is to say, Raul Alfonsin. A wideranging political operation is under way at the moment to hammer out agreements with several provincial parties. Thus, as this paper reported last Monday, Troccoli's efforts to get the San Juan Radicals to ally themselves politically with the Bloquist Party are not an isolated development.

Parties

President Alfonsin has his sights set on putting together in Catamarca another Popular Movement of Catamarca and on hammering out similar agreements with the Jujuy Popular Movement, with the Pampas Federalist Movement and with the Renewal Movement of Salta.

In addition to Antonio Troccoli, who is directly engaged in certain negotiations within the UCR itself, two men in the circle closest to the president, Senator Edison Otero (the alternate president of the UCR) and Enrique Nosiglia, are deeply involved in these efforts.

Otero is in charge of forging alliances in the Senate with the provincial parties. Moreover, with his reelection assured by the end of the year, the concern is to guarantee the support of provincial party senators for his reelection as first vice president of the Senate, with a view towards keeping the line of succession to the presidency in the Radicals' hands.

Enrique Nosiglia is the man in charge of the alliances that are being sought with the provincial forces. The team, which almost always operates out of the Council for Democracy, is rounded out by Leopoldo Bravo, who among the provincial party leaders is trying to encourage enthusiasm for the alliance that the UCR has proposed. The meeting that the Bloquist leader held yesterday at 462 Tucuman with some of the San Juan Radicals who are opposed to the proposal that Troccoli himself put before them is part of this plan.

The Radical Party is known to have offered, in its initial overtures, to share in some cases up to half of the elected offices that will be up for grabs next year.

But in their zeal "to combine votes from Buenos Aires" (as the Radicals who oppose the proposed alliance in San Juan complain), the Radicals discovered that the provincial parties consulted on this potential alliance want a coalition not only for 1987 but for the 1989 presidential elections too, with a ticket made up of a Radical and a representative of these provincial parties.

The UCR national leadership is apparently having a tougher time convincing San Juan Radicals to ally with the Bloquist Party than achieving the consensus for the alliance among the provincial parties.

As for the steps that the ruling party is already taking, "at the 1987 elections the UCR should put together a network of alliances and portray itself as 'the party of order' and, at the same time, as a party of realistic modernization that rejects facile, demagogic sloganeering."

To achieve these goals, they feel that they have "to reconcile internal and external circumstances." On the external front, the Radicals feel that they cannot ignore the fallback of European Social Democracy (citing France) and that better relations with the United States are needed. On the home front, the most important facets of the UCR's future strategy are the unqualified defense of the Austral Plan and confrontation with the General Confederation of Labor. How the Radicals do in 1987 will depend largely on the outcome, they feel.

8743
CSO: 3348/517

BRIEFS

TELEVISION PROGRAM ON GENERAL CAMPS--Buenos Aires, 25 Apr (DYN)--Reliable sources said today that a television program on the former Buenos Aires province police chief General Ramon Camps that was broadcast over the official television channel has caused displeasure within the Army. The sources added that Army Chief of Staff General Hector Rios Erenu has personally expressed his displeasure to Defense Minister German Lopez. Rios Erenu reportedly visited Lopez on the morning of 24 April, a few hours after the program was broadcast. According to the sources, the main objection to the program was that camps' serious illness was not treated "with due respect." Camps, who was admitted to the Central Military Hospital, has prostrate cancer. The former police chief is standing trial before the Federal Appellate Chamber on charges of involvement in serious human rights violations during the antisubversive war. Sources close to the Army today emphasized the attitude that Appellate Chamber Assistance Prosecutor Luis Moreno Ocampo adopted during the program, during which he gave the legal definition of the subject. The sources said, however, that the program was neither "balanced nor impartial," because Camps' lawyer was not invited. [Text] [Buenos Aires DYN in Spanish 1511 GMT 25 Apr 86 PY] /8918

END OF RADIO WORKERS STRIKE--Buenos Aires, 25 Apr (DYN)--Journalists, announcers, operators, and technicians of [local] radio stations today ended an 18-hour strike to demand wage increases. According to the Interunion Organization of Radio Workers, which called the strike, "practically 100 percent of the workers" observed the strike. Therefore, it said, "employers should reflect on the need to review their negative, intransigent position and to start negotiations with the workers." Management sectors have minimized, however, the effects of the strike because all radio programs were broadcast normally and only news programs suffered some restrictions. [Excerpt] [Buenos Aires DYN in Spanish 2339 GMT 25 Apr 86 PY] /8918

CSO: 3348/524

BRAZIL

SAO PAULO POLL SHOWS PT CANDIDATE AHEAD: SARNEY CONCERNED

Breakdown of Poll Figures

Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 Mar 86 p 6

[Text] Federal Deputy Eduardo Suplicy (PT-SP [Sao Paulo Workers Party]), running as the Workers Party candidate for governor, is the nominee most mentioned by the population of the city of Sao Paulo (which represents 32 percent of the state's total electorate) to succeed Governor Franco Montoro, according to a poll taken yesterday by Data-FOLHA. Suplicy was selected by 28 percent of the 1,000 Sao Paulo residents polled, who were stratified according to geographical areas, the region's socioeconomic level, sex, and age.

Sao Paulo businessman Antonio Ermirio de Moraes (without a party), launched as a candidate for state governor last Sunday, following former Foreign Minister Olavo Setubal's abdication, received 18 percent of the acceptance, remaining in third place, after the potential PMDB [Brazilian Democratic Movement Party] candidate, vice governor Orestes Quercia, cited to succeed Montoro by 23 percent of the Sao Paulo residents polled. Left in fourth place was Federal Deputy Paulo Maluf (PDS-SP [Sao Paulo Social Democratic Party]), with 16 percent acceptance.

In the last poll taken by Data-FOLHA, on 15 January, when Olavo Setubal was still running as a candidate representing PFL [Liberal Front Party], Suplicy was the candidate preferred by 29 percent of Sao Paulo residents, followed closely by the former foreign minister (27 percent). Quercia had 18 percent, and Maluf 14 percent preference. After Setubal dropped out and the Quercia and Antonio Ermirio candidacies were initiated, the businessman received the backing of 18 percent of Sao Paulo residents, the preference for Quercia increased (from 18 to 23 percent), as did that for Maluf (from 14 to 16 percent); and the preference for Suplicy declined (from 29 to 28 percent).

Adding the percentage of approval received by Antonio Ermirio (18 percent) to the percentages of approval directed toward Quercia (+ 5 percent) and Maluf (+ 2 percent), after Setubal's departure, we have a total of 25 percent selection by Sao Paulo residents, a percentage very close to that gained by the former foreign minister in the first poll (27 percent).

Suplicy has a big lead among young Sao Paulo residents (from 18 to 25 years old), receiving 46 percent preference, as opposed to 18 percent for Maluf, 15 percent for Quercia, and 10 percent for Antonio Ermirio. In the 26-39 year age bracket, Suplicy received 30 percent preference; Quercia, 25 percent; and Maluf and Ermirio were tied at 15 percent. Among the older people (aged 40 or over), Quercia is the favorite (26 percent), followed by Antonio Ermirio (24 percent), Suplicy (17 percent), and Maluf (16 percent).

When the schooling of those interviewed is considered, it is noted that the preference for Antonio Ermirio increases concurrently with the educational level of those interviewed. He is preferred by 12 percent of those with primary level schooling, 17 percent of those with secondary level schooling and 41 percent of those with a higher educational level. The preference for Quercia, on the other hand, declined as the educational level of those interviewed rose: 27 percent (primary level), 21 percent (secondary level), and 16 percent (higher level).

The planning and scientific orientation for the FOLHA poll was carried out by Prof Dr Reginal o Prandi, instructor in the Sao Paulo University's Social Sciences Department. The poll, coordinated by sociologist Antonio Manuel Teixeira Mendes, was executed by Data-FOLHA. The Editorial Staff was responsible for the formulation of topics and interpretation of results.

Reaction From Sarney, Alves

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Apr 86 p 4

[Text] President Jose Sarney is concerned about the succession situation in Sao Paulo, fearing the possibility of a victory for the PT candidate, Deputy Eduardo Matarazzo Suplicy if the progress of the other candidacies should continue at the current pace. The president has received polls confirming the rise in the PT deputy's nominee status; and, during the past few days, has discussed the subject on the telephone with several Sao Paulo PMDB members.

Yesterday, President Jose Sarney contacted the Chamber's presiding officer, Deputy Ulysses Guimaraes, and received the former government leader in Congress, Senator Fernando Henrique Cardoso, in an audience. This was the second private talk held by Fernando Henrique with Sarney since he vehemently criticized the government's direction just before the issuance of the economic package. The first talk, after the monetary reform, lasting 3 hours, was at President Sarney's initiative.

The president of the republic has at hand an Ibope poll showing that of the 47 percent represented by the Greater Sao Paulo electorate in the entire state, Eduardo Matarazzo Suplicy has the backing of 31 percent. Another poll, on the status of Senator Fernando Henrique Cardoso's candidacy for reelection, shows that the PT deputy has support from 18 percent of the electorate in the interior, ranking in second place after Orestes Quercia.

The president is voicing apprehensive regarding the election situation in Sao Paulo, fearing that it may become even more favorable for the Workers Party if Mayor Janio Quadros should contest the succession. If this occurs, Sao Paul PMDB leaders admit that Deputy Eduardo Matarazzo Suplicy's chances for victory would increase as a result of the same phenomenon that elected Mayor Maria Luiza in Fortaleza: the excessive division of the electorate.

It is the conviction of the majority of PMDB politicians, including Minister Aluizio Alves, that Janio Quadros will be the contestant for the Sao Paulo government, being required to divest himself of his incompatibility by 14 May, when he returns from the United States. Senator Fernando Henrique admits that Antonio Ermirio de Moraes' candidacy will rob PMDB of votes, while the electorate will be even more divided by the candidacies of Deputy Paulo Maluf and, possibly, Janio Quadros.

A Workers Party victory in Sao Paulo would create a difficult situation for President Jose Sarney's government, in addition to representing the destruction of PMDB in its leading area, which is considered critical by many PMDB members. Party leaders observe that there no other action to be taken at present, except waiting for events to unfold.

Since businessman Antonio Ermirio's candidacy has no party affiliation, that of Orestes Quercia suffers from popular acceptance, that of Deputy Paulo Maluf appears to be an adventure, and that of Janio Quadros has not been confirmed, Sao Paulo PMDB members admit that nothing can be done now. As Senator Fernando Henrique has commented, only time will tell what the outcome of the situation will be.

Like Minister Aluizio Alves, Senator Fernando Henrique Cardoso argues that President Sarney will have no way of backing Antonio Ermirio's candidacy against his party, represented by Vice Governor Orestes Quercia. The Sao Paulo senator thinks that Sarney might even be sympathetic toward the businessman's candidacy, but is of the opinion that it would be politically unrealistic and bad strategy to run roughshod over his own party, PMDB.

According to the Sao Paulo senator, Antonio Ermirio's candidacy has become vulnerable because of the lack of a party affiliation. He does not know which party the businessman will join, but says that, if it is PMDB, to contest the party convention's nomination, he will surely lose. In this regard, he noted that an agreement has already been concluded by the Sao Paulo PMDB members to back Orestes Quercia's candidacy.

Aluizio Alves

Despite all the difficulties confronted by the Sao Paulo PMDB, Minister Aluizio Alves is convinced that the Quercia candidacy is becoming consolidated, and should prove victorious, because of the party machine; and that there will be an agreement regarding the vice governor's ticket. Senator Fernando Henrique Cardoso will have to run for reelection, while the other slot for the Senate and the vice governor's candidacy on the Quercia ticket will be distributed between Mario Covas and Almino Afonso.

Although he does not think that there will be a coalition between PMDB and PFL in any state, the minister believes that the Democratic Alliance should be preserved, to maintain the backing of the former PDS dissidents who would not venture to leave the Liberal Front for the federal government. Aluizio Alves says that he has already talked with Ministers Aureliano Chaves and Marco Maciel on this subject, even anticipating a reduction in PFL. In his opinion, although it may receive support from businessmen and other political novices, which he consideres beneficial and an improvement for political activity, the party will remain up for bids. In this connection, he remarked that the businessmen should be welcome in politics, but that they need to join parties.

The minister does not view the recent association of former Maluf backers and other servants of the military regime with PMDB as a problem. In his opinion, if that kind of renewal did not occur, the parties would always remain the same.

2909
CSO: 3342/99

GOVERNMENT TO REEXAMINE ARMS EXPORTS TO LIBYA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Apr 86 p 10

[Text] Brasilia--Yesterday morning, the minister of foreign affairs, Abreu Sodre, admitted that the government would reexamine the Brazilian policy on arms exports to Libya. "It is an issue that will be discussed from now on," he remarked in a quick comment at the Brasilia airport, where he was awaiting the president-elect of Costa Rica, Oscar Arias. Later, the minister of Army, Leonidas Pires Goncalves, interrupted remarks by Minister Dilson Funaro, to declare that, "It is not true that Libya is one of Brazil's largest weapons purchasers. It is even one of the smallest purchasers, and recently it has not purchased anything."

The claim was confirmed by the chief of the Ordnance Department, Gen Jose Albuquerque. He said that Libya has not purchased any weapons from Brazil for 4 years. Up until the mid-170's, Libya was the Arab country purchasing the most Brazilian weapons. General Albuquerque denied that the slackening of the arms trade between the two countries was related to the capture of a Libyan airplane under President Joao Figueiredo's government.

In an official memorandum released yesterday afternoon, Itamaraty noted that "Violence is not a suitable expedient for resolving differences, and the increasing spiral of mutual aggression that the crisis in the Mediterranean may trigger will have serious consequences for international coexistence." In the 17-line memorandum, written by Minister Abreu Sodre, the Brazilian Government expresses the hope that balance and moderation will prevail in the conflict between the U.S. and Libya, preserving the cause of peace and saving innocent lives. The document was described as balanced by sources at Itamaraty. Later, Abreu Sodre attempted to minimize the clashes in the Mediterranean, remarking that, even with the possibility of a continuation of the attacks, President Sarney would pay the visit to Portugal and Cape Verde set for 4-9 May. Sarney did not make any statement yesterday regarding the conflict, and kept being briefed all day concerning the progress of events.

2909
CSO: 3342/99

BRAZIL

BISHOP'S CONFERENCE CONCLUDES, ISSUES DOCUMENT

PY221428 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Apr 86 p 7

[By a special envoy at Itaici]

[Text] The new Brazilian Constitution "will have to reflect the search for a new model of society for Brazil, one that is neither capitalist nor socialist," based on "participatory democracy" and implemented through structural reforms without resorting to violence and insurrection." This statement is made in the pastoral declaration "For a New Constitutional Order," approved during the 24th yearly CNBB (National Conference of Brazilian Bishops) and released yesterday noon to the press in Itaici (Indaiatuba district, 99 km northwest of Sao Paulo) by CNBB President Ivo Lorscheider, CNBB Vice President Benedito de Ulhoa Vieira, and CNBB Secretary General Luciano Mendes de Almeida.

During the closing meeting, Lorscheider announced beginning today, a broad mobilization of the Brazilian Catholic media--from the church based communities to the religious orders and all the movements linked with the church--"to peacefully struggle to achieve a participatory and democratic society."

Lorschreider said that the CNBB's 28-page declaration "will be a milestone in the history of the Brazilian Church," adding that he expects that the document "will be impartially analyzed by the media," and that it will be "considered by the Constitutional Affairs Committee, chaired by jurist Afonso Arinos, and studied by the candidates of all the parties that will participate in the Constituent Assembly."

The pastoral declaration is based on a consensus. The dioceses and pastoral organizations linked with the church have been working on the text since November 1985. The preliminary version published in (an exclusive FOLHA report three weeks ago) was subject to 2,096 amendments. One week before the Itaici meeting, the dioceses proposed 789 changes to the committee in charge of drawing up the text. The remaining 2,117 changes were introduced by the committees and during the plenary sessions of the CNBB meeting, which ended on 18 April.

The first part of the declaration deals with "facts and challenges." The CNBB states that Brazil needs "sound solutions for its serious ethical, socioeconomic, political, and cultural problems," and advocates a change in the "traditional position," in which the state has a "key role in the social sector."

In the second part of their declaration, the bishops say that "injustice is a form of institutional violence." However, they reject "the use of violence as a method for remidying injustice." The CNBB also suggests criteria for choosing the Constituent Assembly members.

In the third part of their declaration, the bishops list the following "specific demands" of the social sector: to promote and preserve life, the environment, family rights, religious freedom, "participatory democracy," and to ensure the right to access to education, to uphold the principle that workers are more important than capital, and to reiterate Brazil's commitment to "a new international order."

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CSO: 3342/101

PFL CLOSES FIRST NATIONAL CONVENTION IN HARMONY

PY221839 Rio de Janeiro O GLOBO in Portuguese 21 Apr 86 p 3

[Excerpts] Brasilia--Upon closing the first national convention of the PFL [Liberal Front Party] Mines and Energy Minister Aureliano Chaves, who is also PFL honorary president, defined his party as "centrist, neither rightist nor leftist but a party that advocates transformation and reform. This is the direction in which President Jose Sarney is aiming."

The essence of the convention was to express the PFL's support for the government, and for what Sarney has done for solidarity within the PFL. There was at no time any criticism or expression of disagreement with the president's attitude.

There was no conflict whatsoever, and no commitment letter was issued. At the elections, the National Board received 232 votes from the 297 convention members. The same thing happened with the organization of the party's national executive board, elected by the secret ballot.

The climate of harmony that prevailed during the convention, according to Carlos Chiarelli, the party's senate leader (Rio Grande do Sul State), reflects the unity and harmony within the PFL. This unity was demonstrated by the unanimous election of the National Executive Board by the 72 members of the National Board.

The Executive board has thus been organized. President: Senator Guilherme Palmeira (Alagoas); First Vice President: Deputy Mauricio Campos (Minas Gerais), representative of the Aureliano Chaves wing; Second Vice President: Deputy Eraldo Tinoco (Bahia), of the Antonio Carlos Magalhaes wing; Third Vice President: Senator Jose Lins (Ceara), of the Adauto Bezerra's wing; Secretary General: Deputy Saulo Queiroz (Mato Grosso do Sul); First Secretary: Deputy Jose Jorge (Pernambuco); Second Secretary: Deputy Norton Macedo (Parana); Treasurer: Deputy Rubem Medina (Rio de Janeiro); Deputy Treasurer: Deputy Wolney Siqueira (Minas Gerais); Members: Senator Eunice Michilles (Amazonas), former governor Amaral de Souza (Rio Grande do Sul), Deputy Maluly Netto (Sao Paulo), and Deputy Jaime Santana (Maranhao).

/12913
CSO: 3342/101

PAKISTANI LEGISLATIVE GROUP VISITS CONGRESS

PY170157 Brasilia Domestic Service in Portuguese 2230 GMT 15 Apr 86

[From the Congressional Report]

[Text] A Pakistani legislative delegation that is on official visit in Brazil today visited the Brazilian Senate where they met with Senate President Jose Fragelli. Also present at the meeting were Senator Passos Porto and Senator Marcondes, who are second senate vice president and senate third secretary, respectively.

During the afternoon, the Pakistani legislative delegation appeared before the senate floor and was greeted by Sanator Jorge Kalume and Fabio Lucena.

In his speech Senator Jeorge Kalume praised the present development process that the Pakistanis are experiencing and the cultural and trade agreements that were signed between Pakistan and Brazil. Moreover, Senator Fabio Lucena noted that like Brazil, Pakistan is now resuming the path toward achieving its democratization and the consolidation of a regime that will lead it to freedom and development.

In addition, Senate President Jose Fragelli thanked the Pakistani legislators for their visit and applauded the Pakistanis' struggle to achieve democracy.

Upon welcoming this morning the president of the Pakistani National Assembly (Ziadi Haq Ena), who was accompanied by Pakistani legislators, Humberto Souto, acting president of the chamber of deputies, noted that a permanent exchange between Brazilian and Pakistani legislators will be of great help for the two countries.

The Minas Gerais deputy noted that the similar problems that the two countries have confronted will lead to a constructive dialogue, and to the solution of common problems. He added that just like Brazil, one year ago Pakistan emerged from a long military dictatorship during which it experienced socioeconomic difficulties and that it is now making an effort to undertake a development process and the enforcement of a full democracy. In a short explanation about the present Brazilian situation, the acting president of the Chamber of Deputies noted the election of the national constituent assembly in November 1986 is the main political event in recent years. He added that to guarantee the legitimacy of the assembly, the Brazilian Congress amended the electoral law so as to expand the representativity of the constituent assembly through measures such as granting the right to vote to the illiterate and the legalization of all ideological trends.

Moreover, the president of the Pakistani National Assembly noted the similarities between the two nations. He added that after several years of military regime, Pakistan last year held free elections in which 53 percent of electors took part.

/12913
CSO: 3342/101

BRAZIL

CAUSES FOR RELUCTANCE TO DISCUSS SERVICES IN GATT TALKS SEEN

Sao Paulo GAZETA MERCANTIL in Portuguese 2 Apr 86 p 4

[Text] The significance that a new round of trade negotiations in the General Agreement on Tariffs and Trade (GATT) organization could hold for Brazil is in contrast to the meager amount of publicity on the subject in our country. The news is usually limited to dispatches from international agencies which convey the view of the developed countries, often distorting the position upheld in this matter by countries such as Brazil.

The Brazilian position is often depicted by some developed countries as one of resistance to another effort to liberalize international trade in the GATT area, by refusing to accept the inclusion of not only goods, but services as well, in a new round of trade negotiations in that forum.

However, no mention is made of the fact that: a. Brazil has constantly favored the holding of new negotiations on the trading of goods, aimed precisely at liberalizing that trade, eliminating the protectionism practiced by certain developed countries; b. GATT does not even discuss national or international transactions involving services; c. none of the many studies produced to date have succeeded in categorizing the national legislation regulating the services sector in nearly all countries as protectionist, and hence in the services area there would not appear to be any "trade barriers" requiring "liberalization"' d. the consulting group that has been examining the topic of services in GATT has not reached any conclusion regarding the feasibility of holding any negotiations on the subject.

If this is so, it may seem strange that certain developed nations which appear to be defenders of liberalizing trade are causing an enormous delay in the opening of a new round of negotiations on goods, by insisting that they also cover the services sector.

Nevertheless, that attitude can be explained. Part of the explanation lies in a report that the chairmen of six consulting committees from the American private sector submitted in May 1985, in which they admit that new trade negotiations alone would be "incapable of solving the general trade crisis in the United States." And they cite the serious problems that they are facing, "which lie beyond the bounds of GATT," such as a strong dollar, and a shrinkage of markets, reflected in a trade deficit unprecedented in that country's history.

The reluctance to open actual negotiations on goods trading is also explained by the fact that it is precisely the large trading nations which most resort to the protectionist practices that those negotations would seek to eliminate. It was also those countries which, for years, have distorted the implementation of GATT's safeguard regulations, by using measures based on the so-called "gray area," which the GATT secretariat itself considers illegal, according to the General Agreement; and they are also the ones who spend tens of billions of dollars every year on subsidies for exports, which are either in conflict with the multilateral regulations, or are not sufficiently covered by those regulations, such as the large agricultural subsidies.

Hence, it is understandable that, in the area of goods trading, they are not in any hurry to correct the situation.

Some rule seems to be ardently desired to "liberalize" the services sector. And there is an explanation for this as well. According to the proponents of this sector's inclusion in a round of negotiations, among the services to be considered would be banks, insurance, telecommunications, data processing, ocean transportation, air transportation, civil construction, and engineering consultation.

It so happens that, in Brazil and in countless countries, virtually all those areas are regulated by specific national legislation, or are governed by the terms of the general legislation, in some instances, a constitutional text, or they are governed by regulations and standards established by government bodies to organize the domestic market. All this is done with legitimate grounds, ranging from the economic ones to those involving national security. Therefore, either those areas do not lack international regulation, or they simply do not accept it when it runs counter to the national law and interest.

What the advocates of the discussion of services in GATT want is the repeal of that national legislation, through rules imposed internationally. Hence, in the name of liberalization, their business firms could render such services in any country, even becoming established on foreign territory, without any major consideration of the national interests that would be affected. For example, they could operate communications and transportation facilities on foreign territory. From a strictly economic standpoint, they would be free to take portions of markets which other national and even foreign companies often took decades to develop, with sizable investments and at high risk.

This explains, simultaneously, both that insistence on approving international legislation in GATT and the legitimate interest of countries such as Brazil in preventing it, in the defense of their national legislation and their markets.

2909
CSO: 3342/99

BRIEFS

SURGERY FOR INDUSTRY MINISTER--The Sao Paulo General Hospital has issued a brief communique stating that Industry and Commerce Minister Jose Hugo Castelo Branco will undergo surgery to take out a polyp from his large intestine. The communique added that the minister is in good spirits. The date of the operation will be announced in due time. However, the lack of concrete medical information and the surveillance to which the journalists covering the minister's illness are subjected has given rise to all sorts of speculations and doubts about the true diagnosis of Minister Castelo Branco's illness. [Text] [Rio de Janeiro Radio Globo Network in Portuguese 0300 GMT 26 Apr 86 PY] /12913

APOLOGY FOR COLOMBIA INCURSION--Brazil has officially apologized to the Colombian Government for the violation of its territory when 10 Brazilian soldiers entered (Lorino Island) at the mouth of the Querari River, planted a Brazilian flag, and sang their national anthem. The Brazilian ambassador to Colombia met with Foreign Minister Augusto Ramirez Ocampo and explained that it was all a misunderstanding by a young officer who has already been removed from the border area. [Text] [Bogota Television Service in Spanish 1730 GMT 22 Apr 86 PA] /12913

HUNGARIAN DELEGATION TO PCB FESTIVAL--Budapest, 18 April (MTI)--Istvan Petrovszki, head of the Party and Mass Organizations Department of the Central Committee of the Hungarian Socialist Workers' Party, and Tibor Illes, subdepartment head of the Agitation and Propaganda Department, returned to Budapest from Sao Paulo, where they attended the political festival of the Brazilian Communist Party (PCB). The delegation met PCB General Secretary Giocondo Dias, and several party leaders. Jose Sarney, president of the Federal Republic of Brazil, met the delegation in Brasilia. [Text] [Budapest MTI in English 0719 GMT 18 Apr 86 LD] /12913

FIRST QUARTER TRADE SURPLUS--Roberto Fendt Jr, director of the Foreign Trade Department of the Bank of Brazil (CACEX), has reported that Brazil has posted a trade surplus of $2,568,000,000 for this year's first quarter, the highest ever for this period. In March, the first month in which the Cruzado Plan has been in effect, the trade balance posted a surplus of $1,143,000,000, the highest ever for one month. [Summary] [Rio de Janeiro O GLOBO in Portuguese 10 Apr 86 p 23 PY] /12913

TIN PRODUCTION--Brasilia, 3 April (EFE)--It was officially reported today that in 1985 Brazil was Latin America's largest tin producer and the world's second largest tin producer after Malaysia. It was also reported that Brazil produced 26,390 tons of tin ore in 1985, and that tin exports yielded $230 million that year. [Summary] [Madrid EFE in Spanish 1255 GMT 3 Apr 86 PY] /12913

EMBRAER TO DOUBLE 1985 EXPORTS--This year, the volume of exports made by the Brazilian Aeronautics Company (EMBRAER) will increase 100 percent over 1985, rising from $143.91 million to $287 million. It is the intention of EMBRAER, whose billing will amount to $414 million, $127 million of which will relate to sales made on the domestic market, to produce approximately 150 airplanes this year, the same number as in 1985. As was reported yesterday, in Porto Alegre, by the company's national sales manager, Benedito Perotti, during the opening of the national consortium for the purchase of the Carajas aircraft, of these 150 airplanes, between 40 and 50, mainly of the Brasilia model, will be exported to the United States, Germany, and other countries. This year, the Brasilia plane, the price of which is $5.5 million is beginning to lead EMBRAER's export. Up until last year, the model most sold on the foreign market was the Bandeirante. The company plans to deliver 30 Brasilias this year. Perotti also announced that EMBRAER's production should increase starting next year, amounting to between 180 and 200 aircraft. He added, moreover, that the federal government's economic stabilization plan has only brought benefits, because it will be easier to sell," since the investors can plan their business with greater security, and the financial cost has declined considerably. The consortium for the Carajas executive turbojet, accommodating eight persons, with a maximum speed of 430 kilometers per hour, driven with kerosene, was also benefited by the government plan, because the payments will not be readjusted until February of next year. The members of the consortium will make monthly payments of 376,000 cruzados; the cash price is 13.5 million cruzados. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Apr 86 p 34] 2909

CSO: 3342/99

CHILE

BRIEFS

WORKERS TO MEET UNDERGROUND--Santiago, 19 Apr (EFE)--Chilean union leader Rodolfo Seguel today disclosed that the first national conference of the opposition National Workers Commando (CNT), is being held underground and that the meeting started today and will end tomorrow Sunday, 20 April. According to Seguel, more than 700 union leaders from throughout Chile and some international guests are gathered in eight commissions in various parts of Santiago, after members of the Carabinero forces (Chilean militarized police) dislodged them last night from a labor headquarters where the meeting was meant to be held initially. Those who were supposed to attend the conference, that was to open last night, had gathered at the "MADECO" [Copper Manufacturers, Inc] union's headquarters when Carabineros arrived and forced them to leave. Rodolfo Seguel, president of the CNT, which in 1983 started the massive protests against the military regime, today said that "since the government has prevented us from exercising our right of assembly, we are forced to meet underground." The union leader added that the first CNT national conference will end tomorrow. [Text] [Madrid EFE in Spanish 2056 GMT 19 Apr 86 PY] /8918

CSO: 3348/523

COLOMBIA

GOMEZ ON NICARAGUAN CLAIMS, PEACE PROCESS, RURAL REFORM

Alert on San Andres and Providencia

Bogota EL PAIS in Spanish 13 Apr 86 pp A-1, A-3

[Text] Bogota, 12 April (Colprensa)--Conservative candidate Alvaro Gomez Hurtado stated today that the country should be on the alert and take preventive measures in response to Nicaragua's repeated claims to the archipelago of San Andres and Providencia, and other nearby islands.

"There is no need to point out that Colombian sovereignty must be defended with all available resources," he emphasized.

Nevertheless, he warned that this protection of sovereignty should be carried out more effectively, especially utilizing preventive measures.

The presidential hopeful made this pronouncement as he presided over a "national youth encounter" that was taking place simultaneously in 27 cities across the nation.

The conservative leader answered questions from the different capitals, using the radio channels of the RCN and Super networks, for 1 hour.

Gomez expounded widely on his proposal for economic development as a means to solve problems such as unemployment, productivity, education, and housing.

San Andres

In response to a question on social and security guarantees for the natives of San Andres and Providencia, the conservative candidate stated that the peace policy sponsored by Colombia through the Contadora Group to pacify and democratize Central America should be a sufficient guarantee of peace.

He said that Nicaragua's claim to the Colombian coasts is "a sudden, fabricated move against our sovereignty."

He noted that the pacification action of Contadora led to the entrenchment of a totalitarian regime in Nicaragua, and that fact can be proven by purely political standards.

He explained that it is regrettable that there should be a regime that refuses to be democratic.

He warned, however, that what the government of Nicaragua is doing is acquiring a weapons capacity that is greater than its payments capacity.

He said that this government is being provided with arms and supplies by the totalitarian countries of Europe, and for that reason it has attained a capacity for aggression that is much greater than that of all its neighbors put together. This situation has also given Colombia cause for alarm.

He pointed out that the country does not have Nicaragua's competitive capacity in the arms race, because it does not want to divert resources that could be used for national development and the elimination of poverty.

He said, however, that "now we are faced with the political phenomenon of a totalitarian communist regime and the nationalist problem of a threat which requires a constant state of alert."

Housing and Jobs

Gomez Hurtado went on to discuss his housing and employment policies.

He repeated that when he is in office, he will build 700,000 housing units, which will at least take care of the basic problem.

He noted that the state should not sell incomparable things, nor should it fall behind in collecting what is owed it.

Gomez indicated that for this reason, his government would ensure that housing costs not exceed 30 percent of a family's income.

He admitted that unemployment comes about because of a lack of production and the failure to develop, which constitutes the only opportunity for the country.

The failure to develop, he explained, means that factories are not built and marketing does not take place.

Gomez contended that such employment represents development, and that development can be achieved by structuring taxes better.

He came out in favor of changing the tax system so that savings and investment could be encouraged.

With regard to unemployment, he claimed that the effort to boost exports should continue, and these products should receive good prices.

He estimated that his administration would be able to create 500,000 jobs in the first year, and defended the alternatives of microbusinesses and tourism as the means to attain that goal.

Education

The candidate indicated that the problem of education cannot be allowed to deteriorate further, and that "every time the left calls a strike, a university shuts down."

He said that he likes freedom in education, and that new universities should be opened up because right now there is so much competition for placement.

Gomez then stated that the problem a government faces is to win the support of public opinion.

"I find it stimulating to have a Liberal majority in Congress. It does not scare me, and it would suit my administrative objectives," he noted.

He criticized the fact that the country has no agrarian policy, and blamed the lack on the high turnover of ministers, who remain in office for just 6 or 7 months.

He said that the recovery of old markets and the winning of new ones should be given priority, as should the cheap transportation of goods to the docks and the modification of the Magdalena River.

When asked about the coffee windfall, he stated that the money should be used for the benefit of the regions where the bean is grown.

He noted, however, that these revenues should not be allowed to spur inflation, which would erode wages' buying power.

He stressed that part of the coffee windfall should be earmarked for loans to public service enterprises so that they can convert their foreign debts into Colombian pesos and not be able to claim that their costs are rising.

Social Policy Outlined

Bogota EL PAIS in Spanish 13 Apr 86 p B4

[Article by Alberto Saldarriaga B.]

[Text] Bogota, 12 April (Colprensa)--Conservative Candidate Alvaro Gomez Hurtado indicated that the legal order, which has disintegrated partly because of the tolerance and conciliation of the peace process, need to be restored.

He added that the result has been "not only lax enforcement of the law, but also a confusion of priorities." He observed, for example, that many believe that the policy of opening up to the guerrillas has led to "the stabilization of the guerrillas as permanent elements in national life."

In a wide-ranging dialogue with Colprensa, the presidential aspirant called President Betancur's peace process unsatisfactory, and said that if he is elected president he will introduce "drastic changes" in this process.

Gomez said the first objective of his administration would be to turn Colombia into "a guerrilla-free country."

"The country's prestige depends on the absence of guerrillas, the financing of projects, and the investment of capital; our participation on world markets depends to a large extent on the absence of guerrillas. If no one has thought that they should be institutionalized, then they must be eliminated," he said.

He stated his belief that it is already possible to ensure that the guerrillas "will not be very numerous because many doors have been opened to those who have taken up arms, and they can still seize the opportunity and participate in political life." He also noted that the government has "the necessary response capacity to counter persistent threats to the public order."

Gomez indicated that the maintenance of public order will be "much easier, because we now have knowledge and experience that we did not have before."

When asked if he would rule with a stronger hand, as some believe, he responded: "more law and more order."

"Law as a basic element of harmony, meaning the restoration of full juridical order so that justice can be imparted in an egalitarian manner, affecting the peaceful and the non-peaceful alike," he added.

Gomez stated that the peace policy must be realistic, and contended that he would not allow the guerrillas to "play both sides against the middle," pretending to be peaceful. He added that "armed people have no place in public life."

War on Poverty

The conservative candidate said that the second priority in his election platform is the war on poverty, through his economic development program.

Gomez admitted that his theory of development is "old," but he said that Colombians have never given it a chance to work. He justified it by saying that Colombia's problem is above all economic, and noted that in the first year of his administration he would try to attain an economic growth rate of at least 5.6 percent, 7 percent in the second year (based on the 1985 growth level).

Gomez stated that during the Betancur administration, as in the last 12 years, there has been no development. He asserted that both the agriculture and livestock sectors "have failed."

The candidate noted that industry is not yet growing sufficiently, as "it is barely recovering its previous dimensions." He went on to say that it has not yet moved into a positive position with respect to the previous 3 years.

The leader of the National Participation Movement contended that a fundamental economic solution is the way to solve the country's social problems and violence, and to wrest it from its continuing state of underdevelopment.

The resources from the coffee windfall should be used wisely, he said, based on a clear development program "so that we will not suddenly discover the money has run out."

He observed that we have had other windfalls in the past, and in the end "we have remained just as poor." He pointed out that the failure to develop leads to "the impoverishment of the poor."

He stated that when the coffee windfall runs out, the income of the rest of Colombians should have grown accordingly.

Gomez noted that the "how to" of development begins with planning ("organizing resources with an orientation toward development") and the overall growth of the economy. "That economic movement will mean that more people will be needed on the job and more investment will be required."

He indicated that at present the Colombian economy is stagnant, and its per capita domestic product is very low. "We earn very little in Colombia, and we are second only to Haiti as the lowest in exports; that is no consolation," he said.

He added, however, that Colombia has a very efficient labor force for semi-skilled work, which can serve as the foundation for a continued export program. The Colombian knows how to fix a car with a string," he said. "Soon Colombians will be more skilled than the Japanese on the assembly line," he added.

Gomez said that Colombia should allow foreign capital into the country, and should emphasize exports.

Continuity in Housing Plans

The presidential hopeful, who will turn 67 in May, indicated that he will continue President Betancur's housing plans. He pledged to increase from 400,000 to 500,000 the goal for housing units made available under his administration.

In addition, he claimed that he would turn over 200,000 lots a year, with utility hookups, for self-construction. This would provide an additional 325,000 housing units per year.

"This has a dual objective: to solve a social problem, and to serve as an engine of economic growth, generating massive employment."

He also discussed the rural sector, stating that it must be turned into a productive sector once again. "The entire cuntry is up for sale," he said, asserting that the "fiscal hamstrings" must be taken off the farm sector so that food prices will not continue to rise.

Same as Before

When asked what changes have taken place in the Gomez who ran in the 1974 elections, and in what way, he responded: "I am the same. One changes with the circumstances, because it is unrealistic to remain as rigid as marble in the face of changing events. A man's attitude cannot be the same in time of war as in time of peace."

He stated that he had committed himself to a policy of peace under the Liberals, and that he is defending it "because now they want to destroy it with sectarianism." A dispute may arise between Liberals and Conservatives, he said, "as a result of the sectarian proposal of an exclusivist government."

Gomez indicated that last 9 March democracy did not win; the victor was "the machinery within a climate of liberalism."

He criticized the high cost of the elections, contending that Liberals had spent up to 60 million pesos for each seat they won. He went on to note that in that party "participation depends almost exclusively on having such resources."

Finally, he stated that he has compromised with the Betancur administration on a number of issues, "but I have retained my independent judgment. We have agreed and disagreed, depending on the issue," he said.

Rural Campaign

Bogota EL PAIS in Spanish 13 Apr 86 p C9

[Text] Bogota, 12 April--Alvaro Gomez, National Participation candidate, defended his plan to create 200 machinery banks to transform and modernize life in the rural portions of the country. Campaigning in northern Antioquia, he said that his administration will pursue self-sufficiency in milk as one of its primary goals for Colombia. Thus, the poor will be able to consume as much of this food as they need, since it is so essential especially for children.

The presidential candidate met with more than 1,000 peasant, community and civic leaders in northern Antioquia, in the city of Santa Rosa de Osos. He was accompanied by leaders of the Liberals of Antioquia for Alvaro movement, including Jorge Baron, Senator Carlos Holguin Sardi, Senator J. Emilio Valderrama, Ignacio Velez Escobar, and Guillermo Velez Urreta.

Gomez stated that if the Antioquian peasants vote, he will be elected president of Colombia. He called for the elimination of abstentionism in the province.

The presidential candidate for National Participation, who later traveled to Medellin to speak at a rally in the community of Aranjuez, emphasized that his comprehensive development program is aimed at lifting people out of poverty. He recalled that he is in the process of explaining his program to the country in terms of practical formulas, such as the machinery banks for groups of municipalities, the construction of 500,000 houses in 4 years, providing utility hookups to 200,000 lots, and giving students a special card that will enable them to obtain low-cost air and land transportation fares.

Alvaro Gomez noted that the machinery banks would cost less than half the cost of a deficit in a poorly managed institute.

Self-Sufficiency

Gomez made several proposals, including the following:

--We have the best options for the peasants of the highlands, who play Russian roulette with potatoes because they have no other way to use their lands.

--Fortunately, they have found in livestock raising and milk production a true resource that must be guarded.

--That milk production must be respected by the state, and not subject to the ups and downs of regulations that tend to use up inputs, raise taxes, or lead to imports of foreign milk.

--The dairy industry should be able to supply all of Colombia's needs.

--We need a development policy that will boost milk consumption by Colombians.

--We want the people to have better diets and to get more protein, and what is healthiest for children is to drink good milk. Today poor consumers do not have access to good milk.

--Producing more milk should be a function assumed by the entire government.

--We must reclaim mountains to make room for milk production.

--You are opening up new land, and you should keep on doing it.

Machine Banks

--To transform the rural sector I have devised the initiative of the machinery banks, which would consist of a bulldozer, a backhoe, two dump trucks, and accessories, to serve four or five municipalities each. This equipment could be used on public works and community projects, and even private projects.

--The municipalities that use the services of these banks would pay 15 percent of the cost; the neighborhood boards and cooperatives would pay 40 to 50 percent of the cost; and private parties would pay 100 percent.

--With these banks we would be able to maintain roads, manage the land and harness waters; we would build drainage ditches, aqueducts, and sports fields in places where no one ever kicked a ball because there was no place to do it.

--Two thousand hours of backhoe work per year in a municipality would change the whole scene.

--In northern Antioquia, we would have four banks: one in Yarumal to serve Yarumal, Angostura, Briceno, and Campamento; one in San Pedro for Entre Rios, San Pedro, and other carefully selected municipalities; a third one for Santa Rosa, Barbosa, and Don Matias; and another in Gomez Plata or Guadalupe.

--There would be another one in the lower Cauca, where there is a definite need to do things with machinery.

--That project is worth less than 9 billion pesos; in other words, it would cost less than half the deficit of any of the poorly managed decentralized institutes.

Gomez concluded by saying that it is an option for peace, and asserted: "I can guarantee you that ours will be a country without guerrillas."

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CONTRACTS FOR EXPORT OF 60 MILLION TONS OF CERREJON COAL

Bogota EL PAIS in Spanish 13 Apr 86 pp A-1, A-3

[Text] Bogota, 12 April--The mining and marketing of coal from El Cerrejon shows tremendous prospects because of its acceptance on international markets and the huge volumes that can be sold on the market, nearly 20 million tons.

This information was revealed today at the Cerrejon Norte project by President Betancur, who traveled to the great coal mining project this morning, accompanied by the directors of Colombian Coal, Inc. (CARBOCOL) and of its partner Intercor. The purpose of the visit was to commission the latest equipment to be installed there, which completes the outfitting of the mine and the port of Simon Bolivar.

Pointing out the comparative advantages of this mining, the president said: "The location of the strata makes the coal obtainable at the low costs of strip mining. The mine's proximity to the port, and the latter's proximity to the principal markets, as well as its ability to load large-capacity ships, enable Colombia to compete with one of the most efficient operations in the world, with a top-quality product."

The chief of state added that this combination of factors has aroused so much interest among consumers "that contracts have already been signed for more than 60 million tons, 1/6 of the total production during the life of the partnership contract between CARBOCOL and Intercor. These contracts are valued at over $2.2 billion, equivalent to 2/3 of the investment."

The president explained that 23 sales contracts have been signed with 18 consuming nations in Europe, America and the Far East, and the exports planned for the next 3 years are almost all committed.

The leader stressed the great benefits that investment in the project and related industrial and commercial development have yielded for the country and for La Guajira.

In this regard, he noted: "Indeed, the CARBOCOL-Intercor partnership was concerned from the beginning with seeking maximum participation by Colombian industries, engineering firms, construction firms, and suppliers; the hiring of foreign manpower was restricted; of the $3 billion invested, 60 percent was spent in Colombia, as opposed to the 40 percent called for in the budget; and goods and services amounting to 100 billion pesos were acquired from Colombian firms, with 45 billion pesos spent on the Atlantic Coast, 5 billion in La Guajira alone."

"During the installation of the facilities," added the president, "12,000 people were employed directly; during the operational phase, 4,600 new direct jobs and 15,000 indirect jobs were generated; and 4,000 people will have received training between 1982 and 1989."

Referring to the revenues the country will earn on mine operations, he indicated, "The project generated $2.008 billion for CARBOCOL and the government during 1985, out of a total of $16 billion; CARBOCOL will receive an estimated $20 billion from sales over the 23 years of joint operation; finally, royalties and taxes paid by Intercor to the country will yield an estimated $7 billion."

"For this reason," stated the president, "I enthusiastically laud the support my illustrious predecessors gave to El Cerrejon when they were president." He also pointed to the support that has been forthcoming at all times, as manifested in large measure by the jumbo loan signed on Saturday 5 April in Cartagena with the international financial community.

With regard to the direct benefits for La Guajira, he noted that the partnership is in the process, among other things, of reviewing the requirements for signing supply contracts in order to facilitate access by Guajiran companies. He also noted that maximum use will be made of local labor, both in operations and maintenance.

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CUBA

INTERVIEWS ON MANAGEMENT'S ROLE IN LABOR INDISCIPLINE

Havana BOHEMIA in Spanish No 13,18 Mar 86 pp 26-35

[Article called "The Worker Receives Guidance from His Supervisor" by Alberto Pozo, Magdalena Martinez, Luis Rodriguez Balmaseda and Lidia Senaris; passages enclosed in slantlines printed in boldface]

[Excerpts] 1. To Demand Discipline Requires Respect

Despite all the research indicating that only a handful of workers can be considered threats to labor discipline, it is necessary to restrict these situations and struggle for more stringency and firmness during this difficult 5-year period.

Among that handful of workers, there are absences, mostly excused, and late arrivals; there is a lack of attendance control, especially on the part of managers; supervisors are absent from the work site; workers indulge in extraneous activities on the job, such as reading newspapers and doing their nails; the quality of work is lacking; the workday is not fully utilized; workers leave the site during working hours to take care of personal matters--in short, a whole string of violations whose elimination would contribute to increased economic efficiency.

We must say that these situations have already been limited by Decree Laws 32 and 36, for workers and managers, and thanks to the enforcement of this legislation an increase in discipline overall has been noted.

Recently, in the last session of the National Assembly, this topic was brought to light when the Justice Ministry report was released. This report dealt with the fact that administrations in general were lax in enforcing the legal measures aimed at improving labor discipline. In addition, the report noted an increase in the number of cases taken to court.

In his speech, Comrade Roberto Veiga, secretary general of the Central Organization of Cuban Trade Unions (CTC) and member of the Politburo, explained that the fact that more cases are being prosecuted in court does not necessarily reflect more labor discipline problems. What it does indicate in this case, he said, is increased stringency. It also confirms that the two decrees, despite cases of poor enforcement, have been helpful tools in boosting discipline.

Our commander in chief, for his part, noted that we are not exactly disciplined people, but the requirements of the Revolution and the need for military preparedness to face the imperialists have helped us be more demanding of ourselves. He also warned that disciplinary matters cannot be viewed as general problems, but must be examined in light of the circumstances. He cited the example of the increased strictness required in hospitals in the face of discipline problems among food service workers, as in the case of "Tropicana."

The recently promulgated Labor Code is now the basic legal instrument in this battle for discipline.

In view of the comprehensive marshaling of legislation to combat indiscipline, BOHEMIA intends to begin looking into a number of aspects that have an impact on this economic and social necessity. Therefore, our journalistic effort is just an introduction to a continued and systematic investigation of this issue. It is like opening the doors of our pages to launch a search, the findings of which may contribute in some way to boosting our efficiency.

In all of the above considerations, in our opinion, the interrelation between workers and management has been strongly emphasized, as have the importance of setting an example and the fact that one cannot demand more of others without demanding more of oneself.

One phrase has come up repeatedly and spontaneously: The manager is a mirror of the worker. And representatives of both groups have revealed that they are convinced of one thing: Sometimes the manager does not demand of himself as much as he demands of the worker. Furthermore, without respect, there are no results.

This single finding, this single vein where the battle to enhance labor discipline can be expanded in order to increase the efficiency of production and services, lends validity to this initial attempt, these first steps toward a journalistic investigation. The process has just begun, but there is a fruitful road ahead.

2. First Principle: Demand of Yourself Before Demanding of Others

If a worker is close to the people, he is in commerce. How is discipline evaluated? Which factors are most important? We went to the Industrial Products Retailing Enterprise of Havana Center.

"The essence of the situation lies in stringency," answered Zafiro Castillo Valdes, the manager. "In our case, everything is written down. We have the Labor Code, the sector regulations, our internal regulations, our rules of conduct. Everything is laid down.

"In our situation, with a huge group of stores, /the manager of each unit is a a fundamental link in the chain./ In Vitral, our model unit, the staff was not selected; there is a good manager. We can say the same of the La Reina leather goods store, for example.

"In general, going back in history, we must admit that we workers felt like we were being liberated from the bosses who exploited us; but now we are in power, and all the conditions are right for attaining a conscientious discipline and providing the best possible service. It is not easy, but the time has come to demand more and give way to strict discipline."

Juana Rosa Galan Hernandez, a cadre technician and organizer of the Union of Young Communists (UJC) grassroots committee, has her own way of looking at the situation:

"/The first principle: You must demand of yourself before you demand of others./ You must preach by example. Fidel teaches us with his revolutionary example, and he even educates us in discipline by keeping strictly to schedule in official functions.

"Since I am young, I see labor discipline as the continuation of the education we received in school. I will always be grateful to my first boss, who pushed me hard. Sometimes young people entering the labor force have no one to educate them. We must fill that gap.

"/Regulations would be a great learning tool, if they were notput in a drawer./ We cannot limit ourselves to superficial issues such as arriving on time. We must move on to matters such as producing on the job and putting out top quality products. And anyone who is not able to do that should make room for someone who is qualified.

"In sum, what we must fight against most is that imbalance in daily life on the job: /The manager demands a lot of the worker, but does not demand much of himself./"

The reporter has obtained some important criteria from management personnel, but what do the rank and file say? Naturally, we began this project (which is just an introduction to the topic) at the model unit, the Vitral jewelry store on San Rafael between Amistad and Industria, Havana.

"To achieve discipline, the manager must set an example. /I am the first person to arrive, and the last to leave,/ at 2100 hours," Teresa del Valle Trujillo tells us.

"I demand compliance immediately, and I let them know I will enforce the rules of conduct. Here the customer feels that he is respected, and he reciprocates."

The zone chief, Velia Martinez Astorga, says: "Ready to sound the alarm, to prevent mistakes. The manager must be the mirror of the workers. There is no such thing as a bad worker under proper management.

"Our workers are given classes in human relations, standards of conduct, and sales procedures. They are trained for their duties. /And they can be taken anywhere, as long as their manager sets an example."/

Norma Foyo Martinez, a sales clerk, has this to say: "One behaves according to one's attitude toward the manager. Another factor is that /the collective must pursue the same objectives./ Here the customers behave well because they are treated well."

Jorge Luis Freijo Fernandez, who has been a sales clerk for 39 years, gives us the benefit of his experience: "Without discipline, nothing works. The manager must be demanding, but must also set an example; /he must be demanding and also understanding./ And this can be seen even in relations with the public: If you treat them with respect and show them that you want to help them, you feel that the customer reciprocates."

3. Discipline Depends on Management

Felix Leon, secretary of labor and social affairs of the National Commercial and Restaurant Workers Union: "Don't beat around the bush. /The discipline of the workers depends on the discipline displayed by management./ When there is a certain laxity, it is because management is not demanding enough.

"Usually management does not call someone in to explain himself everytime he commits a violation of discipline; it saves everything up. Then it tries to throw everything at the person when the last straw comes. No, that is not admissible, and the court will not allow it. On the contrary, when management is strict at the proper time, the worker corrects the problem. /There is no such thing as a bad collective when it is educated with strict discipline./

"Management has all the legal tools at its disposal: regulations, the manual on rules of conduct, the Labor Code.

/"Discipline cannot just be on one side;/ it is a worker-management interaction, and without it the process does not work."

[Question] What is the importance of discipline for the result of the work?

[Answer] /Discipline is the point of departure, the first condition for good results./ And it is not just a question of work habits; without discipline there is no quality, no economic control, no care for the property of the work site. I believe that /what is most affected is the ability to work with dignity,/ and that is impossible without discipline.

Another vital factor for good results is management. In the case of our sector, the small establishments are the most important. /We must seek appropriate management at each level./

[Question] Do you believe that management is demanding?

[Answer] Unfortunately, until now it has been more concerned with meeting the yearly plan. Although this may seem contradictory, the union has been more concerned about this aspect. It has developed the system of Model Units, and the struggle for the three steps to victory (no absenteeism, good treatment, and profitability).

[Question] Is there progress?

[Answer] It has improved compared to 3 or 4 years ago. The absenteeism has been curbed and is on the decline; profitability is up, and good treatment, although not universal, is beginning to be an expanding force in the model units.

[Question] Some managers complain that the union somehow manages to win all the court cases . . .

[Answer] The fact is, the unions are better prepared than the enterprises to defend the workers' rights. /It's not that the courts are lax, as some would have you believe; what is lax is management's legal procedures and jurisprudence./ Naturally, the organs of justice adhere to the law. They are not, as some management personnel claim, applying extreme disciplinary measures without legal backing; what is fair and decisive is to be firm and demanding at the right moment. /They are forgetting the education factor./ The Labor Code requires the circumstances, the history, and the present conduct. Management wants to skip all that. That is why they can't win any trials.

[Question] What do you have to say about regulations?

[Answer] To play it safe, most managements put the regulations in a drawer. But that's not the only problem. The boards of directors are not concerned about dealing with discipline problems, nor do they take the matter to the assemblies of representatives. Right now an additional tool has been given to them: /In the new collective bargaining agreements, this aspect of discipline is very clearly defined./ But it is not a matter of looking below them.

The workers cannot be expected to exercise discipline while management ignores discipline. To demand of others, one must first demand more of oneself. /To be demanding, one must be respected; only in that way can education take place./

4. Unfit Foundryman Flees, Like Unfit Rooster

Jorge Ladron de Guevara, assistant director of human resources: "For us, labor discipline is closely tied to technological discipline. Any breach can have serious consequences. That is why our system is very rigorous.

"There is a contrast among us: Anyone who cannot stand up to the work leaves right away; anyone who remains is likely to remain forever.

"In any case, in conjunction with the municipal labor organ, we want to begin a study to clear up some questions: What is the relationship between the stability of the workers and the distance between their job site and their homes? What is the relationship between the training new workers have had and their future stability on the job? What is the relationship between the environmental conditions and the stability of the labor force? And so on, a series of questions which it would be helpful to answer. We should bear in mind that this enterprise is in the process of expanding, and we need to expand our labor resources.

"I have not insisted on labor discipline because our system requires it anyway; and anyone who is not disciplined leaves on his own. We have three shifts, and working at night has an effect; on that shift anyone who is going to fall apart does so. But we must also work at high temperatures, with dust, and at an intensive and difficult pace. For this reason, of 50 who start out only 20 remain. That ratio might vary if we had better qualified personnel to begin with.

"Of course, we have instances of indiscipline, even among those classified within physical protection, but on a small scale.

"Yes, we have had our disappointments in the courts. At first we felt that even though we were unable to defend the rights of management, we had reason on our side, and the judgments shouldn't have been so unfavorable. Then our thinking matured, and we now have people who specialize in labor justice, assisted by our legal counsel. We hope to achieve better results.

"We want to train the metalworking family. The first thing is the housing plan. At this time we are turning over 80 units a year, and we hope to reach 200. Here, in Cotorro, so that the housing will be near the plant. Then the workers will be able to make better use of our social club and other cultural activities we carry out on the premises. Our goal is to develop family pride: for the father to see his son filling his shoes, and for the grandson to want to follow in the footsteps of his grandfather and father. We want the same thing to happen to mothers: for them to work in this enterprise and then, after a while, for their daughters to become their coworkers. We believe that this will establish a closer link with the enterprise, and the family will take pride in being metalworkers. To be sure, that will have an impact on the stability of the labor force, and on maximum labor discipline."

That is how Patricio Fundora del Rosario, a foundryman on furnace number 3, expresses himself. As I say good-bye to him, a thought occurs to him that he had forgotten: "In the case of the boss, in my case, /never abuse power; if anything, abuse the example,/ by always being ahead on the job."

We have been accompanied the entire time by Homero Medero Suarez, the assistant chief of the shop. With 19 years of experience, though still a young man, he is characterized by the gentle smile he always has on his face.

"The mirror of the worker is the manager. For this reason, he must be more disciplined. Nothing can be resolved by demanding and demanding. The first thing is to pay attention to the man, to his education. I know people who used to miss work every day, but because I knew how to treat them, now they are among the most disciplined. What is the good of kicking a man out . . . and turning him into a potential criminal? What society needs is to educate him so that he will produce. /Discipline is better when the managers who lead us earn our respect and enjoy prestige because of their labor discipline and the discipline that society demands of people in other aspects./

5. Confrontation: Courts vs. Management

"The courts have uncovered major management deficiencies in the labor sphere, such as the following:

--Utilization, in the application of disciplinary measures, of printed models usually lacking in the necessary analysis, not only with respect to the event in question, but also with regard to the worker's record and job history.

--Weakening of the management representation at the labor trial by using officials or managers who are unfamiliar with the problem.

--Failure to submit the necessary evidence in the labor trial.

--Inconsistency by management in enforcing the final resolutions of the Labor Councils.

--Failure to comply with the final sentences issued by the People's Courts.

--Deficient training of the cadres in charge of enforcing labor legislation at work sites."

(Taken from the Report to the National People's Government Assembly, December 1985, "Year of the 3rd Congress," Justice Ministry)

Labor Trial Information Gathered by Reporter in Municipality of Playa

Delay of Sales at National Aquarium

The cashier at the National Aquarium appealed a public admonishment that was issued against her because, according to the aquarium, she did not attend to the place where sales tickets were kept and the public had to wait more than an hour, with the consequent annoyance.

The chief of human resources intervened on behalf of the management and claimed that /he was not present when the conflict occurred and does not know how the events took place. Moreover, he admitted that there was no concrete evidence./ The judge reminded him of Article 244, which requires the parties to prove the facts.

The defendant brought a witness who testified that when the tickets were sent, she was at the provincial CTC, and they were not turned over to her. The witness concluded that it was a case of irresponsibility by the chief of services, not the worker.

Errors in Measurement

Three workers of Group 3, Forms and Rebars, employed by the Architecture Project Construction Enterprise No. 6, were accused of committing errors that led to delays and material losses.

/The management representative did not attend the trial. According to the judge, this was the second time he had been subpoenaed and had not shown up. Therefore, the trial was conducted in his absence./

The defendants alleged that the accessories and tape with which they work were in poor condition. They had asked the technical chief of the group, the chief of the enterprise, and the head of the Department of Measurement and Quality Control more than six times to change the equipment, over a period of 6 months. They were always told "they are solving the problem, but nothing is ever solved." They testified that the measurement error amounted to just 10 millimeters, and was due to the poor condition of the tape. Therefore, these material losses could not be blamed on them.

Truck Taken Home

Defendant: Driver C of the Western Construction Group. He was relieved permanently of his duties because he took a truck home without authorization, and returned the next day at 0930 hours.

The management representative claimed that this worker had been punished at the same work site for unexcused absences, and that the disciplinary regulations provided that a worker could not take a truck without written authorization.

/The judge asked to see the regulation; the management representative responded that he had not brought it with him./

The worker responded that he had never signed any internal regulations.

As can be seen in these three trials, which have not yet concluded and which were chosen at random by our reporter, there are deficiencies in the managements' preparedness in the labor sphere.

Another comrade on our journalistic team, who visited the Antillana de Acero enterprise in the steel-mechanical industry and the Industrial Products Retailing Enterprise of Havana Center, learned that historically there have been many similar situations that have caused management to lose trials.

In the case of Antillana, the management assured us that it now has personnel who are assigned to deal with these matters. We were unable to inverview Comrade Ajui of the union's labor resources division, because he was not present.

With regard to the Industrial Products Retailing Enterprise of Havana Center, we interviewed the secretary general of its union bureau, Miriam Torres Cespedes:

"I believe that in the past, the management did not prepare well enough to deal with labor matters, although we have alerted them to the laws, rights and duties established by the socialist legal system.

"I will cite the example of a 54-year-old cashier whom they tried to fire permanently. During her 35 years of service, she had a clean record, without a single entry indicating any errors, without a single reevaluation of her position. Suddently, a new manager came in, and because she made a mistake involving 3 centavos, 3 centavos which she did not take for herself but left in the cash register, he wanted her out for good. He wanted to throw her out in the street, less than a year from her retirement date. Naturally, the management had to lose that trial. Elementary."

6. Cast the First Stone!

In the densely populated neighborhood of Cerro, we found the David Linares Fashion Enterprise, which has a payroll of 711 employees, only 52 of whom are men. Therefore, the bulk of the work is done by female hands.

The enterprise produces a wide variety of items: skirts, dresses, pantsuits, "pescadors." Moreover, production volume is not high; on the contrary, orders are for up to 2,000 or at the most 3,000 units of each item. This means that they must make constant changes in the brigades and in the selection of qualified personnel.

The unit's 1985 plan called for 497,700 articles of clothing to be produced, and they fulfilled 102 percent of that. Absenteeism was supposed to be at 8.4 percent according to the plan, but was actually 8.3 percent.

At present, the production plan is 24 percent higher. Why? Because of the introduction of a double shift to take advantage of the installed capacity and thus expand the lines of exportable clothing.

Absenteeism always affects production, whether it is justified or not. Job sites should plan an annual figure, and for the unit in question a total of 56 workers can miss work during the period. This is equivalent to two brigades in production. If we multiply that by 1 year, we get 60,000 or 70,000 articles that are not manufactured. Get the picture?

The manager, Comrade Regla Santamaria, emphasizes: "We must convince each man of the importance of making full use of the workday."

Rolando Torrecilla, chief of production: "We have established a kind of pact. If someone is going to miss work for 4 hours on personal business, afterwards he must come in and make up the hours. We take into consideration the individual's qualities, and he feels a moral obligation to respond."

Noemi Rodriguez, secretary of the union section: "With this strategy, we balance out absenteeism."

For all workers without exception, it is clear that labor discipline is a matter of conscientiousness.

Eddy Valdes, secretary general of the party nucleus: "One person came in with the proper attitude but then began hanging around with the wrong element. We solved that by moving him to a different job."

Rolando Torrecilla: "That does not solve the problem all by itself. Because at lunch and off the job they keep seeking each other out. It is a question of enforcing the rules appropriately."

Eddy: "Sure, the laws are there. They didn't used to be. Now we can issue public admonishments over the loudspeaker. It may seem stupid but it's not. No one likes it, because it embarrasses people."

What is the impact of emulation and incentives?

Noemi Rodriguez: "There is a movement among the brigades and comrades. Every week we choose the most productive and best workers. We have awarded ribbons and presents. People like that."

Torrecilla: "The union has done that to ensure that all the workers in the factory take advantage of the workday and produce more. They have even declared a "produce more day." The group knows that it is emulating and that its pay can double or even triple in many cases. The thinking and the passion of the collective make people want to exert themselves. Motivation leads to encouraging results."

Eddy: "When this movement exists among the brigades, some people worry. If so-and-so does not show up, the next day they get after him, telling him that it was his fault they got behind. They push each other."

Antidote to Indiscipline: Human Pride

During the 9th Session of the National Assembly, discussing the issue of labor discipline, our commander in chief stated: "I don't know whether Braulio (Maza) has had a lot of disciplinary problems in his work, or whether Reinaldo (Castro) has . . . actually, the ones who have disciplinary problems are those who are undisciplined."

"Although he mentioned my name, I did not speak out at the Assembly out of respect for the commander; I did not want to interrupt him," Braulio Maza told us. Maza was named National Labor Hero, and is the head of the 69th Anniversary of the October Revolution Brigade, located at the Manresa camp in Bainoa, Havana province. That brigade cuts sugar for the Camilo Cienfuegos sugar mill.

"/I do believe that we must seek a kind of 'pressure' to improve labor discipline./ There was such pressure under capitalism: the law of hunger. But now we are all millionaires, we all have work . . . we miss work when we have a few too many rums . . . and nothing happens to us. I tell myself this as an example: driving is not a crime, but if we break the law, we are fined.

Labor discipline is the same: Anyone who breaks the rules must suffer the consequences. That's what I believe."

[Question] Let's talk about discipline in your own brigade, Braulio.

[Answer] In the beginning we were a little sloppy. We lost a few veteran cane cutters for a variety of reasons: deaths, internationalist missions, transfers. But old and new alike, we quickly got in gear. Here the work is hard, and we have to depend on each other. If anyone were lazy, he himself would skip out. That has not happened. Here the best cane cutter earns the right to open the first cut. Every 2 days we evaluate. But there are rarely changes in position, because /people have their pride; they do not want others to see them slip up./

[Question] So it's that easy?

[Answer] These are men who are used to working. They know that they have to get up at a set time and make use of the workday. They don't want to waste time talking about it. They get into the field before sunup and leave after sundown. And they know that if anyone misses work, the extra work will fall on the shoulders of the others. /It is true that they are already disciplined; otherwise they would not be able to hold up; but all work demands that./ Here even the beds are numbered, and to save time, we have our lunch at the edge of the field.

What Are the Disciplinary Regulations?

Disciplinary regulations are documents that contain a detailed list of the obligations, prohibitions and infractions of labor discipline for workers.

The regulations can be sector-wide, internal, or specific to a given category of workers. For example, public health has its own regulations, and commerce has its own. In each activity this instrument is already operating to contribute to labor discipline.

The most important aspect of the regulations is the detailed and specialized instructions. Railroad workers have their regulations, restaurant workers have theirs. That is true in all cases. Thus, distinctions can be made that could not be made in general regulations. This differentiation contributes to the analysis of each case individually, since controlling the medications of a patient is not the same as serving an ice cream cone at Coppelia.

Let's look at some of the obligations contained in the sectoral regulations of the Ministry of Domestic Trade:

--Ask the customer what he wants.

--Give him all the information he needs, and show him the merchandise on sale.

--Help the customer with his purchase, and give him the guidance he requests.

--Listen to consumers and offer possible solutions to their expressed needs.

--Provide quick, dynamic and efficient service.

Let's look at some of the violations listed in the regulations:

--Violating the standards or established sales procedures.

--Mistreating customers and failing to wait on them properly.

--Hiding merchandise or favoring friends or relatives in the sale of same.

--Failing to wear the established uniform, or using it incorrectly.

This gives an idea of how useful disciplinary regulations can be, if they are used as an educational tool instead of put in a drawer, as sometimes happens.

Thanks and Apology

We would like to thank Omar Cisneros, chief of the Center for Labor Information and Dissemination of the State Committee on Labor and Social Security, for providing us with all the consultation materials we requested. He also lent us the assistance of specialist Luis Rodriguez Balmaseda, who worked closely with us. We also feel that we owe our readers an apology, because according to our working plan we intended to interview Raudilio Martin, director of labor legislation, and Dr Antonio Catala, director of inspection. We sent them the respective questionnaires 3 weeks in advance, but due to the workload of those officials and the journalists' pressing deadlines, given that this report was to be the cover story, we were unable to include the comments and explanations of those highly-qualified specialists. We hope that on another occasion we will be able to share those important documents with our readers. We would also like to thank Comrade Heriberto Gonzalez, director of information dissemination at the Justice Ministry, for lending us assistance to facilitate our work.

Help Us, Dear Readers

We have just started down the path. Help us find the road that will reveal all the elements that can contribute to continued improvements in labor discipline. We ask that you answer these questions, just yes or no:

--In your enterprise, are legal provisions correctly enforced?
Yes ____ No ____
--Do your managers demand of you just as they demand of themselves?
Yes ____ No ____
--Is the union concerned about labor justice?
Yes ____ No ____
--Is there a place where the workers can go to look at the disciplinary regulations?
Yes ____ No ____

Now put an X by the most important aspect or aspects.
What has the most influence on the achievement of discipline?

___Management's strictness
___Proper treatment by superiors
___Unity of the collective
___Awareness of revolutionary duty
___Organization of work
___Environmental conditions
Others: ____

Finally, answer this question:

What issue or issues should we cover in the next journalistic report, to delve into the search for better discipline?

____

Write to BOHEMIA, Box 6000.

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FURTHER REPORTAGE ON FAILED COUP ATTEMPT

Febres: Country's Image Damaged

PA062230 Paris AFP in Spanish 1726 GMT 6 Apr 86

[Excerpts] Quito, 6 Apr (AFP)--Ecuadoran President Leon Febres Cordero feels that last month's frustrated coup d'etat headed by Lieutenant General Frank Vargas Pazzos, former commanding general of the Ecuadoran Air Force, severely damaged Ecuador's international image.

This is concluded from a note sent by the president to the Court of Constitutional Guarantees and made public last Saturday, in which he explains the reasons he had to declare the national state of emergency on 14 March, as a result of the armed rebellion headed by Gen Vargas Pazzos at the Mariscal Sucre Air Force Base in Quito.

The Ecuadoran president said that he declared the state of emergency in the country in order to safeguard the constitutional order and to preserve the democratic system.

Febres Cordero added that "once the coup had been aborted and the insurgent forces became totally under control, the country returned to normalcy," and on Monday, 17 March, through an executive decree, "the national state of emergency was lifted."

Further on in his note, Febres Cordero said that "the government elected by the majorities assumed with firmness and determination its responsibility of maintaining and defending the Constitution, the laws of the Republic, and domestic order and security, which were threatened by actions led by a general officer of the Ecuadoran Air Force and supported by extremist sectors interested in creating divisions among Ecuadoreans."

Febres Cordero praised the attitude assumed by the forces loyal to his government and to the Constitution and stressed the "great damage that this military uprising supported by forces identified with extremist groups have caused to Ecuador's international image."

He noted that foreign creditors and financial sources "have stopped positive actions that were underway."

However, the national government immediately "took the necessary actions to minimize the damage," Febres Cordero concluded.

Army Commander Accused of Conspiracy

PA192004 Quito Voz de los Andes in Spanish 1230 GMT 19 Apr 86

[Text] General Laercio Almeida, commander of the Army's Engineer Corps, yesterday accused General Jorge Asanza, general commander of the Army, of conspiring against the president.

Almeida, during a speech he gave [words indistinct] that military unit, stressed that Asanza has stated that he wants to overthrow the president. For this reason, Asanza asked the president to dismiss the general commander of the Army.

He also accused Colonel Nelson Subia of being a traitor and a despicable person for stealing documents from his military unit to deliver them to the former FAE [Ecuadoran Air Force] Commander, Lieutenant General Frank Vargas.

Asanza Upholds Constitution

PA221450 Quito Voz de los Andes in Spanish 1130 GMT 22 Apr 86

[Text] General Jorge Asanza, general commander of the Army, was accused by General Laercio Almeida, commander of the Army Corps of Engineers, of conspiring against the president of the Republic. Almeida has asked the head of state to remove Asanza from office.

I make this accusation as an honorable member of the Armed Forces and I assume responsibility for my statements, Almeida stressed before the officers and troops of the four battalions that comprise the Army Corps of Engineers during a ceremony to inaugurate various construction projects and installations built by the military engineers.

General Asanza, chief of the Armed Forces Joint Command and general commander of the Army, in turn released a communique through the media expressing the view of the country's military.

[Begin Asanza recording] The Ecuadoran Armed Forces have remained patiently silent in the face of the aborted efforts to use them improperly. Under the legal responsibility to safeguard the state's internal and external security, and, in this context protect the society of which they are a genuine extraction, they wish to tell the country that they will not allow a breach in the constitutional order or that the government that legitimately leads the country be destabilized.

We are and will always be guardians of the law. Beyond the intentions of those who seek to taint the honor of the institution most respected by the country and its leaders, we will continue to fulfill the mission under the

Constitution and the laws of the Republic without meddling in activities that are not in our jurisdiction. We will remain firm in our effort to project ourselves in history and preserve the life, safety, and development of Ecuadoran society.

As a professional entity made up of thousands of men in uniform, the Armed Forces cannot be responsible for the deviations of the individual ethics of one or another of its members and, on occasions, of actions that separate those who serve or have served it, from the moral values that identify the military men with deep love for their country and overwhelming respect for the institution that forged them.

The armed institutions will proceed with the utmost military rigor permitted by military law.

The Armed Forces want to make it very clear that those who are attempting to use them to satisfy personal or political ambitions that will never be condoned are wasting their time. The Armed Forces appeal to the national sensibility and to the media, guide of public opinion, to maintain peace, tranquillity, respect of the institutions, and the prevalence of democracy in the Republic.

President Said 'Mainly Responsible'

PA230205 Quito Radio Quito in Spanish 2300 GMT 22 Apr 86

[Text] In the opinion of Wilfrido Lucero, Popular Democracy Party main leader, the recent military incidents prove that President Leon Febres Cordero, as commander in chief of the Armed Forces, has no real control over the military institution.

Referring to the charges made by General Laorcio Almeida against General Jorge A anza, Lucero insists that it is up to the persons involved to clear up the situation, but so far the person accused has not said anything.

Lucero also accused President Febres Cordero, former defense minister General Luis Pineiro and former Army commander General Manuel Maria Albuja, of being those mainly responsible for the problems the Armed Forces is facing and which could get out of hand.

Meanwhile, the Tribunal of Constitutional Guarantees aware of the delicate situation has invited Defense Minister Medardo Salazar and the two generals involved, to give explanations.

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CONGRESS PRESIDENT ANNOUNCES 'WITHDRAWAL' FROM POST

PA041714 Quito Radio Quito in Spanish 2300 GMT 3 Apr 86

[Text] Speaking to the Concentration of Popular Forces [CFP], Dr Averroes Bucaram Zaccida, president of the National Congress, has announced his withdrawal from the parliament because he will be the main CFP candidate to the post of Guayas provincial councilman. Bucaram Zaccida said that his participation in the June elections was a decision of his party and that as a good soldier of the party he will obey it.

The high-ranking CFP leader said that he will continue from another post his struggle for the interests of the Ecuadoran people, particularly those of his province. Although Bucaram has yet to resign as president of the National Congress, Ivan Castro Patino, vice president of congress, has been placed in charge of the presidency until the definite situation of the president of congress is decided.

Interviewed by this station regarding, the announced withdrawal of Congressional President Averroes Bucaram, Dr Ivan Castro Patino, vice president of the National Congress, said that he has yet to receive a notification in this regard. He said that the situation is not very clear in legal terms because there are no precedents in this regard. Nevertheless, he said that legal research is being undertaken in order to issue a statement. He also said that in his view, the president of congress should request leave for an indefinite period so that he can fulfill his political commitments. Castro Patino said that the position of president of congress is a full time job. He added that he will continue to preside over the congress as acting president even though he stated that he has yet to receive notification of this matter.

[Castro Patino] I would say there are two aspects to the answer. From the legal or constitutional viewpoint, the answer requires a quite detailed study of the provisions of the Constitution, the election law, the bylaws of the congress, and the provincial system law, among others. Such a study is being undertaken and my advisers have been instructed to report to me as soon as possible. In any case, from the viewpoint of the interests of the Ecuadoran parliament, one must not view just the interests of a sector or political party but the interests of the entire country. The office of president of congress is a full time job. It requires not 3, 4, or 5 days of work, but 7 days of work; in other words, all of the time that a person can give to a public position. Dr Bucaram is responsible for his actions. He will have to inform the Ecuadoran Congress about the decisions he makes so that the Ecuadoran parliament can adopt the decisions it deems advisable. As far as I and the congressional secretariat's office aware, we have not been informed of any request from Dr Bucaram for leave for a specific period or for an indefinite period. I am not aware that he has presented his resignation as president of the congress.

[Question indistinct]

[Castro Patino] Your question is important because it allows me to explain something. Dr Bucaram placed me in charge of the presidency while he was on a trip to the United States. That trip ended last Sunday. When he returned to the country, he should have taken over the presidency of the National Congress and gone to Congress to carry out his duties.

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GUATEMALA

OPPOSING VIEWS SURROUND CONTADORA EFFORTS

OAS Efforts Supported

Guatemala City PRENSA LIBRE in Spanish 20 Feb 86 p 11

[Article by Pedro Galvez P.]

[Text] Despite the almost ritualistic praise sung daily about the diplomatic work of the Contadora Group, I maintain that its approach to the Central American crisis is wrong. That is why it has not and will not come up with appropriate solutions.

The Mexican Government advocated the formation of the group. It has never concealed its desire to consolidate the Sandinist regime in Nicaragua and achieve a "shared government" in El Salvador.

These two objectives are part of the Mexican strategy to maintain a foreign policy favorable toward Marxist revolutionaries in order to prevent the internationalization of its own domestic conflicts. These objectives have dominated the actions of the Contadora Group.

Based on the Mexican thesis, the Contadora Group erroneously assumes that, in Nicaragua, the conflict Sandinism is involved in is basically external and has been caused by the hostility of its Central American neighbors and the United States.

It has quickly forgotten that the people of Nicaragua rebelled against Somoza because they wanted freedom, economic progress, and justice. The Sandinist commandants betrayed the revolution of liberation. Instead of political freedom, a totalitarian state similar to Cuba is rapidly being constructed. Instead of economic development, they have abysmally deepened the poverty of the Nicaraguan people and created a new privileged class, the Sandinists, who use the resources they deprive the majority of the Nicaraguans of for their own benefit.

The conflict that Nicaragua experiences today is internal and stems from the Sandinists' betrayal of the revolution of liberation. The opposite is true in El Salvador. In defiance of the guerrillas' threats, the Salvadoran people have gone to the polls, not only to elect their representatives but to demonstrate their repudiation of the guerrilla violence. The conflict in El Salvador is caused by foreign aggression. It continues only because the guerrillas trained, indoctrinated, and armed by Cuba and Nicaragua continue to receive massive aid from the Soviet Government.

It is time to give up the vain diplomatic exercise that the Contadora Group has been carrying out for almost 2 years. It is time for the OAS to take up the Nicaraguan question again. That was the reason for the convocation of the 17th Consultation Meeting that began in 1978. That meeting produced the famous resolution of 23 June 1979 that demanded and obtained dictator Somoza's resignation to the OAS itself. We must remember that this resolution had two parts. The first part demanded an end to the dynastic dictatorship and was carried out. The second part demanded that the dictatorial government be replaced by a government freely elected in an internationally supervised, multiparty election. That is far from being carried out. The electoral farce staged by the Sandinists on 4 November 1984 was a mockery of the Nicaraguans' aspiration to elect their rulers.

It is morally unacceptable, to say the least, for those who voted for that resolution on 23 June 1979--including the members of the Contadora Group--to now argue that they cannot demand in-depth internal changes in the Nicaraguan regime because this would violate the principle of nonintervention. This principle was no obstacle to the OAS action against the Somoza regime, action that had the enthusiastic support of the Sandinist commandants. It is even worse knowing--as we know now--that without those in-depth internal changes, without the complete elimination of the Marxist-Sandinist regime, and without political and military stability, it is impossible to even begin to talk about democracy in Nicaragua or peace in Central America.

Cerezo Cites Accomplishments

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 14 Feb 86 p 2

[Excerpt] The objectives of the countries in the Contadora Group have been fulfilled since armed conflict in Central America has been avoided. Mario Quinonez Amezquita, minister of foreign relations, stated this yesterday during a press conference in the Banquet Room of the National Palace.

He also revealed that the conflict was not taken to the OAS or the United Nations because some countries were afraid that these organizations would not act with absolute impartiality. This led to the creation of Contadora, a group that has acted constructively and impartially.

Central American Parliament

In his statements, he also revealed that he agrees with the president of the republic, Marco Vinicio Cerezo Arevalo, that Central American conflicts must be settled by the Central Americans themselves.

He added that the Central American Parliament could help as an implement for effective collaboration with the Contadora Group.

He revealed that if that parliament is to function efficiently, it must be supraregional.

Military Maneuvers

Concerning the invitation to participate in joint military maneuvers in the Pacific, he revealed that, under present circumstances, he agrees with the president. Guatemalan participation could lead to more tension in the area.

Military Aid

He denied that the Israeli Government has offered to sell weapons to the government.

However, he confirmed that an offer of $10 million from the U.S. Government to purchase non-violent war materiel like vehicles, shoes, and other implements is being studied. He explained that $5 million of that aid would be in the form of a donation.

Technical Assistance

Quinonez Amezquita revealed that Guatemala has asked friendly countries for technical assistance in order to train specialists in criminology and fingerprinting. This would provide technical personnel for investigative institutions.

He pointed out the importance of evidence presented by the authorities in court trials.

Regrets Attitude

As to the possible withdrawal of the United States from the International Coffee Organization, he revealed that this would have undreamed of consequences for the coffee producing countries.

He emphasized that there are now more than 50 countries in that organization which would be directly affected since there would be a real price war.

Protection for Embassy

Asked about the protective obstacles placed around the U.S. Embassy on Avenida de La Reforma, he stressed that he will soon talk with Ambassador Alberto Martinez Piedra to find other systems that would help the residents in that sector.

However, he pointed out that many Guatemalans and foreigners could be victims of an attack if traffic in that area were left open. Therefore, other security mechanisms are necessary.

Difficult Situation

Minister Quinonez Amezquita also revealed that he has had talks with deputies in the National Congress. He told them that Guatemala's image abroad cannot be improved if there are no facilities.

He indicated that despite international price escalation as a result of inflation, his ministry has not been able to improve the economic conditions of the embassies. This has limited the acquisition of Telexes, computers, and other means of communication.

He added that Guatemalan ambassadors go through hardships to subsist.

Active Neutrality

Concerning Guatemala's position on Central America, Quinonez Amezquita repeated what the president of the republic said. Guatemala's position is impartiality in the Central American conflict, but partiality toward pluralistic democracy and respect for the principle of self-determination.

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FOREIGN MINISTER ON NEUTRALITY, MILITARY EXERCISES

Guatemala City EL GRAFICO in Spanish 14 Feb 86 p 4

[Text] Guatemala, 14 Feb--The Guatemalan foreign minister, Mario Quinonez Amezquita, stated yesterday that "it is possible to coexist with a socialist country as long as there is respect and nonaggression."

The minister indicated that the foreign policy of the Christian Democrat Government is "partial toward democratic systems, rather than neutral." He was alluding concretely to conflicts in Central America, especially in Nicaragua.

He added: "The Guatemalan Government respects the principle of self-determination of the peoples."

The first to refer to the possibility of "coexisting with a socialist country" was the former chief of state, General Oscar Humberto Mejia Victores. He established Guatemala's policy of neutrality in the regional conflict.

Guatemalan President Vinicio Cerezo has clarified his government's position at the regional level as one of "active neutrality." Minister of Foreign Relations Quinonez Amezquita explained that this meant "adherence to democratic systems and encouragement and preservation of democracy."

He also justified the president's refusal to participate in joint military maneuvers with the United States, arguing that "we do not have a big enough navy to become involved in that type of action."

Quinonez revealed that he does not agree with a statement made by former U.S. president Jimmy Carter that the Central American situation should be taken to the United Nations, giving up on Contadora.

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GUATEMALA

PRICE STRUCTURE BLAMED FOR SHORTAGES, NEED TO IMPORT

Guatemala City EL GRAFICO in Spanish 27 Feb 86 p 7

[Editorial: "Although You Won't Believe It, We Will Now Import Corn, Beans"]

[Text] Our fatherland, full of absurdities and contrasts, will never stop surprising us with unusual and incredible circumstances. Yesterday the deputy minister of agriculture, engineer Carlos de Leon Prera, announced that Guatemala, the homeland of Guatemalan corn, an agricultural country par excellence, will import corn and beans! Unusual! Incredible! If we remember correctly, just a few months ago we sold a large quantity of beans and corn to the EEC which sent them to help the Nicaraguan Revolution. Now we must import 900,000 quintals of basic grains including corn, beans, and rice. This purchase will unquestionably cost more than we obtained in foreign currency from the sale to Nicaragua. In other words, we are selling at a loss while starving the people of Guatemala who are already strained by galloping inflation.

When analyzing the causes of the shortage, the deputy minister cited "increased prices for supplies." This might mean that the price ceiling policy for products of prime necessity, including those that we now must import, has discouraged production. It is not profitable to produce them because production costs more than the ceiling price. However, according to the latest agricultural-livestock report of SIECA [Secretariat of Central American Economic Integration] for Monday, 10 February, Guatemala has the highest prices in the area for the following products: yellow corn; red and black beans; first-, second-, and third-class rice; and sorghum. Don't think that the price difference is insignificant; it is not. Yellow corn costs 11 centavos in Honduras and 12 in Costa Rica while we Guatemalans pay 17 centavos. Red beans are 56 centavos here while they cost 30 centavos in Honduras, 32 centavos in Costa Rica, and 40 in El Salvador. Black beans cost 53 centavos in our country while in Costa Rica they cost 32 centavos. First-class rice is 46 centavos in Guatemala and 21 centavos in Costa Rica. Second-class rice is 43 centavos here and 30 in El Salvador, etc.

That cannot be the cause. The other countries in the area also have problems with foreign currency and the prices of their supplies have also increased. However, in Guatemala someone is taking advantage of the situation and amassing a fortune at the expense of the people's hunger. Neither can the shortage be justified by "continual smuggling to El Salvador, Mexico, and Honduras," as the deputy minister indicated. If basic grains are cheaper in those countries, there would be no reason to sell them outside Guatemala. Guatemala is a better market and better prices are paid (elementary, my dear Watson). Also thousands of quintals of basic products would have to go across our borders or through the mountains by donkey in order to cause a shortage. This is impossible given the Treasury Guard's vigilance over the borders unless....Investigations must be carried out. If a country in civil war is capable of producing more than us at cheaper prices, we are in trouble. It is necessary to revise our production and marketing system as well as the supply and reserve policy of INDECA [National Institute of Agricultural Marketing].

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PRICE CEILING LIST REVISED, 295 PRODUCTS WITHDRAWN

Guatemala City EL GRAFICO in Spanish 28 Feb 86 p 3

[Text] Guatemala, 27 Feb--Twenty categories that include 295 commercial products were taken off the price ceiling list. Lizardo Sosa Lopez, minister of economy, reported this in a press conference today.

The minister explained that 26 categories that include 169 products or items remain subject to the price ceiling system.

The minister said that this measure withdraws 83 percent of the total number of items on the price ceiling list in effect until 28 February.

Minister Sosa Lopez said that the Ministry of Economy, as announced, revised the price policy in effect since the promulgation of government agreement No. 826-85 in September 1985. The basic objective was to protect the buying power of the lower-income population.

"Lower-Income Groups Not Affected"

The minister of economy said that the measure withdrawing those products from the price ceiling list does not affect the lower-income groups. On the contrary, he felt that it will allow the government to work harder on problems of supply and prices of products that are in the family market basket.

Products Withdrawn

According to the minister of economy, the products that were taken off the price ceiling list are as follows:

	Product	Number of Types
1.	Whole powdered milk	25
2.	Instant powdered milk	14
3.	Sliced bread	3
4.	Dehydrated soup	6
5.	Oats - Mash	3
6.	Cornstarch	10

	Product	Number of Types
7.	Cornmeal	4
8.	Vinegar	17
9.	Juices	6
10.	Tomato paste	5
11.	Toothpaste	12
12.	Toothbrushes	7
13.	Detergents	33
14.	Laundry soap	*30
15.	Toilet soap	**18
16.	Sanitary napkins	21
17.	Powdered disinfectant	3
18.	Paper napkins	21
19.	Toilet paper	11
20.	Dry cell batteries	***7
21.	Shoe polish	18
22.	Razor blades	5
23.	Light bulbs	16
	Total number of items	265

*Four brands remain on the Price Ceiling List.
**Five brands remain on the Price Ceiling List.
***Two sizes of dry cell batteries remain on the Price Ceiling List.

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JAPAN STUDIES INVESTMENT OPPORTUNITIES IN GUATEMALA

Guatemala City EL GRAFICO in Spanish 28 Feb 86 p 2

[Text] Guatemala, 27 Feb--A group of Japanese businessmen came here to evaluate investment conditions in Guatemala. They will meet with representatives of the government and the private sector to decide whether to invest their capital here.

The Japanese mission is called a mission "to study investment in Guatemala." It arrived in Guatemala yesterday and met with government representatives in the afternoon to begin studying investment possibilities in our country.

The mission is made up of 30 Japanese investors. It is headed by Terezuo Yoshino, special assistant to the Japanese minister of foreign affairs and president of Shimizu Construction Co., Ltd.

Yesterday afternoon the Japanese businessmen met in BANGUAT [Bank of Guatemala] with government representatives to learn more about the economic situation of the country and investment possibilities.

Antonio Perez Morales, director of financial studies of the Ministry of Finance, explained the fiscal and tax policy on foreign investment to them.

Carlos Najera, director of BANGUAT, gave them general information on currency exchange and monetary aspects while Carlos Sequeira outlined the economic situation of the country.

After meeting with government authorities, the Japanese businessmen held a press conference in BANGUAT to announce the objective of their visit.

7717
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HONDURAS

EDITORIAL SAYS U.S. PRESENCE 'PERMANENT'

San Pedro Sula TIEMPO in Spanish 11 Feb 86 pp 21, 31

[Editorial Commentary by Victor Meza: "They Have Come to Stay"]

[Text] There is no doubt about it. All indications are that the American soldiers who arrived in our country several years ago and periodically stage so-called joint military maneuvers with the Honduran Armed Forces have come to stay.

At least this is what we can gather from the recent request that the Pentagon has submitted to the U.S. Congress in direct relation to our country. On the afternoon of 3 January, the Congressional Military Constructions Committee received a detailed plan for military construction in Central America from 1987 to 1990. In the specific case of Honduras, the team surrounding Mr Caspar Weinberger is asking for the impressive sum of $29.8 million, in accordance with the following breakdown: 1987, $5 million; 1988, $5.2 million; 1989, $13.2 million; and 1990, $6.4 million.

It bears noting that the Pentagon submitted a similar request before, but Congress rejected it twice. This time it seems things will be different. More than a few observers in Washington believe that the request will be granted, even if it does have to be inevitably cut back, especially if we bear in mind the recent passage of the Gramm-Rudman bill, which requires Reagan to balance the federal budget by 1990 and to make substantial cuts in the current monstrous deficit of over $200 billion. We must not forget, however, that President Reagan's popularity is at one of its high points and that his drive to have Congress approve military aid for the region will not likely be blunted completely. The request for Honduras will be debated this March, at which point we will know what to except once and for all.

The millions that the Pentagon is requesting would reportedly be earmarked for improvements in the so-called "contingency facilities" that the American troops need in the event of a military emergency. The facilities include, of course, the permanent military installations, equipment for data and intelligence gathering in the region, emergency equipment and depots, reserves and, as can be expected, the amenities that will make the American soldiers feel at home.

With respect to the latter point, the U.S. troops have apparently expressed their displeasure over the conditions in which they are forced to live in places such as Palmerola, El Aguacate and others. They complain about the lack of basic creature comforts in their installations, miss the comfortable and easygoing "American way of life" and are hopelessly nostalgic for their country. To ward off this relentless homesickness, their commanders plan to provide a baseball field, a club worthy of the name, tennis courts and additional infrastructure that will make the Palmerola base a worthy home for Uncle Sam's rosy-cheeked nephews.

Oddly enough, the talks on military aid to Honduras have brought new mention of the Regional Military Training Center (CREM), which will supposedly be reinstalled in the town of El Pijagual in the department of Olancho. The money that was initially earmarked for the CREM ($18.5 million) when it served as a regional project will presumably be used for this purpose. When the center was unconstitutionally dismantled on Honduran Government orders, the funds were distributed among El Salvador ($10 million), Honduras ($5 million) and Costa Rica ($2 million). The remaining $1.5 million was used to defray the cost of transporting military equipment to the United States.

Now then, the funds for Honduras have not yet been spent and could, in the opinion of some analysts in the U.S. capital, be used to finance construction of a new facility in El Pijagual whose functions would be similar to those of the old CREM, albeit surely without the presence of Salvadoran "students."

The fact is that the Pentagon's request in a way contradicts previous assertions by the State Department to the effect that the United States does not have permanent military installations in Honduras.

In this regard, we should remember that on 12 July 1985 the influential WASHINGTON POST published an internal U.S. Army memorandum stating that the United States plans to keep 1,200 troops permanently on Honduran soil for the next 5 years.

It does not matter what Honduran military spokesmen say. It does not matter what the Foreign Ministry says. The hard cold fact is that the American soldiers have come to stay.

Tegucigalpa, 7 February 1986

8743
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HONDURAS

PINU OPPOSES SUSPENSION OF LOCAL ELECTIONS

San Pedro Sula TIEMPO in Spanish 26 Feb 86 p 4

[Text] Tegucigalpa--The representatives of the Christian Democrat and Innovation and Unity (PINU) parties to the National Election Tribunal (TNE) have come out against the suspension of next year's municipal elections, while the representatives of the Liberal and National parties have refrained from voicing their opinion in the hope of taking a joint stand.

Political circles are saying that the Callejas faction is pushing a bill to amend the Election and Political Organizations Law and the Municipalities Law so that municipal authorities are chosen every 4 years instead of every 2 as now.

The Callejas people have asserted that the National Party bloc and the Azcona faction have reached a consensus on passing these amendments, which would mean calling off the 1987 municipal elections.

The Christian Democrat Party's representative to the governing body for elections, Adan Palacios, told TIEMPO that calling off the elections "is a mistake that is obviously going to hamper democratic gains in Honduras."

He said that "democracy is based precisely on regular consultations with the people as to their choice of government authorities and officials."

He pointed out that Honduras has an incipient democracy under which just three elections have been held in recent years, adding that financial reasons cannot be cited to justify calling off municipal elections.

Palacios admitted that municipal elections unquestionably entail expenditures, but not nearly as much as the general elections, in which millions are spent on publicity.

Palacios said that he would propose to his fellow TNE members that they discuss the attempt to call off the municipal elections.

The representative of PINU, Yolanda de Vargas, agreeing with Palacios, said that "the election of municipal authorities and the election of the president need to be kept separate, because the presidential election has a different sort of impact."

As for the high-cost argument, Yolanda de Vargas, an attorney, maintained that "the price of democracy is high, but it is worth paying because it prevents confrontations born of dissatisfaction, such as our neighbors are experiencing."

The representative of the National Party, Roberto Antonio Callejas, said that "the party will decide about the municipal elections."

He came out neither for nor against calling them off, saying in any case that "the National Party will have the advantage if municipal elections are held."

Meanwhile, Liberal Party member Pompilio Romero said that before taking a stand on the issue, "the officers of the Liberal Party have to consult with leaders and analyze the pros and cons."

He said that before a decision is made to call off the municipal elections, "an in-depth analysis of the country's economic situation has to be conducted."

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HONDURAS

STRUCTURAL CHANGES IN GOVERNMENT URGED BY CONOCH

Proposal Outlined

Tegucigalpa LA TRIBUNA in Spanish 28 Feb 86 pp 8-9

[Article by Francisco Hernandez Umanzor]

[Text] The workers movement has proposed as a first point a political decision by President Jose Azcona Hoyo in support of the Planning Law. Lacking such support, the workers organization warns that it would be better to violate the commitment to continue to sponsor the document submitted by the National Worker-Peasant Committee of Honduras (CONOCH) last 14 February. The lack of such support has led to an impasse which might result in a clash between the workers and the government.

The Planning Law calls for the following in terms of planning goals.

"Article 1. This law will regulate a planning system and processes by means of which the state, with the participation of the duly represented political, economic and social organizations, will promote the economic and social development of Honduras, consistent with the principles set forth in the Constitution of the Republic.

Article 2. It will guarantee the orderly, consistent and gradual development of the country, making rational and full use of the national resources.

It will guarantee the standard of living of the inhabitants through the equitable distribution of the national income.

It will guarantee the greater economic, social and cultural well-being of the people through the creation of job sources and the improvement of health, education, housing, social security and the environment."

It will also "guarantee the effective participation of the political, economic and social organizations in the process of generating, executing, coordinating and evaluating overall development. It will strengthen the process of agrarian reform as an essential part of the overall development strategy for the nation."

"Article 3. The central and decentralized public administration, including the municipalities, will plan its programs, projects, activities and budgets in accordance with this law. The provisions of this paragraph will also apply to the administrative activities of the legislative and judicial branches."

This law also includes instructions for the division of the planning organs into central, sectorial, institutional, departmental and municipal levels.

The Presidency of the Republic, for its part, will bear responsibility for the higher direction and coordination of planning, and will also draft the National Development Plan.

The Council of Ministers will have, among other responsibilities, that of approving the goals of the national development plans and discussing and approving the National Development Plan, prior to submitting it to the National Congress.

Subordinate to it will be the Higher Planning Council which Article 7 says will be made up as follows:

"a) Two secretaries of state appointed by the President of the Republic.

b) A National Congress deputy.

c) A representative of the business organizations.

e) A representative of each of the legally registered political parties.

f) A representative of the professional colleges.

g) A representative of the trade-union organizations.

h) A representative of the peasant organizations.

i) A representative of the communal organizations.

Each of these members will have his own substitute, duly accredited with the Council. Only legally recognized organizations are entitled to the representation to which reference is made.

The functions of the Higher Planning Council will include, among others, the following:

"a) Analysis of the guidelines for economic and social policy proposed by the Technical Planning Secretariat, and submission of its judgment to the state authorities.

b) Examination of the draft of the National Development Plan, and submission of its judgment to the president of the republic, the Council of Ministers and the National Congress.

c) Study of the indebtedness policy and formulation of the pertinent recommendations for the executive branch.

d) Drafting of a proposal for the president of the republic on the mechanisms for coordinating the monetary, credit and foreign exchange policies formulated and developed by the Central Bank of Honduras with the planned economic policy."

Concerning the departmental and municipal bodies, the Planning Law calls for:

"Article 23. The Technical Planning Secretariat will establish in what departments and municipalities planning councils and units will function. This decision will be made on the basis of the goals of this law, consistent with the political goals and objectives and the strategies and plans for development.

The planning of the development of the municipalities not classified as urban will be the responsibility of the Departmental Planning Unit, working in close collaboration with the municipal corporations.

Article 24. The Departmental Planning Councils will be made up as follows:

a) The political governor, who will preside.

b) The head of the Departmental Planning Unit, who will serve as secretary.

c) A representative of each of the secretariats of state with units in the department.

d) A representative of each of the autonomous institutions with units in the department.

e) A representative of the departmental organization of each of the legally registered political parties.

f) A representative of the business organizations in the department.

g) A representative of the peasant organizations in the department.

h) A representative of the workers organizations in the department.

i) A representative of the communal organizations.

j) A representative of the professional colleges.

Only legally recognized organizations will be entitled to the representation to which reference is made in this article.

Article 25. The Departmental Council will have the following functions:

a) To study, analyze and approve the departmental development goals proposed by the Departmental Planning Unit.

c) To draft the Departmental Development Plan prior to submitting it to the Departmental Council established by the Law on Municipalities and the Political System, which will approve the plan.

d) To rule on any amendment to the departmental plan approved.

e) To submit the proposed departmental plans and budgets to the Technical Planning Secretariat in compliance with the provisions of Article 15, paragraph d, of this law.

f) To issue an opinion on the quarterly assessments submitted by the Departmental Planning Unit, and also to adopt the necessary measures for the speedy implementation of the plans, and

g) Such others as are set forth in the regulations."

"Article 28. The Municipal Planning Councils will be made up as follows:

a) The municipal mayor, who will preside.

b) The head of the Municipal Planning Unit, who will serve as secretary.

c) A representative of the municipal organization of the each of the legally registered political parties.

d) A representative of the peasant organizations.

e) A representative of the workers organizations.

f) A representative of the business organizations, and

g) A representative of the professional colleges.

Only legally recognized organizations will be entitled to the representation to which this article refers.

Article 29. The following are the functions of the Municipal Council:

a) To analyze and approve the local development goals proposed by the Municipal Planning Unit.

b) To analyze and approve the local development policies proposed by the Municipal Planning Unit.

c) To analyze and approve the draft plans and budgets proposed by the Municipal Planning Unit.

d) To issue an opinion on the periodic reports presented to the corporation by the Municipal Planning Unit on the progress in the programs and projects.

e) To issue an opinion on the monthly assessments submitted to the corporation by the Municipal Planning Unit on the implementation of the plans and budgets, and

f) To submit to the Departmental Planning Unit the municipal proposals and plans in accordance with the provisions of Article 26, paragraph d, of this law."

"Final Provisions

Article 31. The general budget of the republic and the budgets of the decentralized institutions must be drafted in accordance with the development plans approved.

Article 32. The loans, guarantees, allowances, subsidies, exemptions and other incentives provided by the state and its institutions must be subject to the approved development plans.

Article 33. Donations of any kind accepted by the state or its decentralized institutions in accordance with the laws will be allocated exclusively for the implementation of the approved operational plans.

Article 34. The secretariats of state, decentralized and locally situated organs and bodies and other executive units may not make changes, modifications or budget transfers within their own organizations, between state bodies or within or between sectors without a favorable ruling by the Technical Planning Secretariat, and in accordance with the corresponding legal procedures.

Article 35. Any draft law or administrative provision involving the creation, reorganization or elimination of bodies or organs in the executive branch or the decentralized bodies will require a favorable ruling by the Technical Planning Secretariat, to ensure its consistency with the approved development plans."

Montoya In Agreement

San Pedro Sula TIEMPO in Spanish 17 Feb 86 p 5

[Text] Tegucigalpa--President of the Parliament Carlos Orbin Montoya said yesterday that the members of that body were 95 percent in agreement with the CONOCH document.

"I believe that it is feasible," Montoya added. He went on to say that "It is almost a detailed development of the address delivered by President Azcona when he took office."

Montoya said that the members of the government cabinet were currently involved in responding to the worker-peasant and women's proposals.

"I think that the social pact is moving speedily, since the business sector too has indicated its approval. For in this development, there must be tripartite support, by private enterprise, the workers and the public sector," Montoya said.

Concerning the new democracy, he stated that "I believe this participation is extremely valuable and effective for the proper development of public administration."

Montoya maintained that overcoming the employment crisis is one of the challenges, "and we are in agreement, since the plans and the goals proposed are very well stated, and this is the right thing."

He indicated that independent of the regional crisis, Honduras must, through these three sectors, seek an immediate solution to the unemployment problem.

He said that the government was able to satisfy the demands of the workers. "I believe that there was even agreement, which I want to clarify. The document says that the difference between the new price of oil will be allocated to the job sector, and this gives us substantive support, while Deputy Reconco Murillo (Efrain) has now suggested a reduction in the price to the public."

Montoya explained that the difference between the price to the public and the price to the state will be so great that the workers have asked that it be channeled toward the creation of jobs.

"We are fully in agreement with this and it will help us to get the motion by Reconco Murillo, which will have a strictly temporary benefit, reversed by the Congress," Montoya added.

CGT Calls for Action

Tegucigalpa LA TRIBUNA in Spanish 28 Feb 86 p 8

[Article by Francisco Hernandez Umanzor]

[Text] The General Central Organization of Workers (CGT) asked President Jose Azcona Hoyo yesterday for a specific position on the plan submitted to him by the workers and peasants on 14 February, urging him to "define a position once and for all, since we do not want just words."

The deputy secretary general of the CGT, Oscar Escalante, said that "It is possible for the commissions to go on talking and talking, but the people do not want this. They desire concrete positions on the part of the executive branch instead."

Similarly, "We do not want demagogy on the part of the legislative branch either, because Carlos Montoya is rather clever and he thinks that we can be lulled to sleep with siren songs. However, we warn the legislators that we are prepared to take any steps necessary in defense of the interests of the great majorities," he said.

Oscar Escalante said that the impasse which has developed between the government and the workers will not become more acute, but he warned that if an immediate resolution is not forthcoming, "the consequences would be disastrous, and those who are intransigent would be solely responsible."

He recalled that "It is thanks to the workers that engineer Azcona is president of Honduras, and for many other reasons, he has a great responsibility to the large majorities, and therefore it is his duty to keep his promises."

The workers leader said that thanks to the Compromise Act, it became possible to rise above chaos and anarchy in the country, and therefore "We demand observance of Point 7, which says that we will have an active role in the drafting and execution of the development plans."

He added that "Some politicians who are in the government now insist that we lack competence. Although we do not know the exact names of these individuals, we will try to identify them so as to judge them as they truly deserve."

Finally, the workers leader said that "It is engineer Azcona's duty to define his position once and for all, since when we submitted the plan to him, he assured us that he agreed almost 100 percent with our requests, and we hope that these were not just words. For if they were, we warn him that we will go as far as necessary to safeguard the interests of the large majorities."

Differences Under Discussion

Tegucigalpa LA TRIBUNA in Spanish 27 Feb 86 p 8

[Article by Francisco Hernandez]

[Text] A serious clash may come about between the government and the CONOCH if there is no resolution to the impasse which has been reached by the commissions in both sectors discussing and analyzing the mechanisms needed to make the plan submitted to President Jose Azcona Hoyo recently a reality.

According to inquiries made by LA TRIBUNA, an "impasse has developed for the high-level government and workers commissions, because there is no unity of views on the legal tools which would support the social programs to be developed.

The workers commission has decided to abandon discussion of the document if the government does not support the draft Planning Law, which official representatives oppose.

In this connection, the representatives of the workers decided to ask for an urgent meeting with President Azcona Hoyo so that he can make a political decision and support the approval of the Planning Law by the National Congress, so as thus to continue analyzing the other points in the document.

The so-called Proposal of the National Worker-Peasant Council of Honduras to the Government of Honduras says in Point VI of the final demands: "Approval of the Planning Law awaiting discussion in the National Congress, and urgent sponsorship of administrative reform, oriented toward changes in the government structure to ensure efficiency and effectiveness in achieving the goals of our proposal."

These demands are of the greatest importance to the organized sector, to the point that it has been decided to abandon the plan if this law is not approved, and, in such a case, to adopt a different position toward the government.

President Azcona, after receiving the plan, stated categorically that "We agree almost 100 percent with the demands" of the CONOCH, for which reason the workers want to hear a positive or negative response, so that he can then make a decision, from the lips of this government leader himself.

On the other hand, informants stated that the authorities in the National Congress are opposed to extending the labor contracts of the three Worker and Peasant Movement advisers, claiming that the legislative branch does not have sufficient budget funds to continue paying these professionals.

Since the middle of last year, the advisers to the workers and peasants have been working jointly with a congressional commission on the drafting of the laws resulting from Point 7 in the Compromise Act, which was signed at Air Force headquarters on 21 May and which put an end to the institutional crisis. Point 7 refers to the participation of the workers in the planning and implementation of the development programs.

The workers organizations do not regard the excuse given by the congressional leaders as valid, while at the same time stating that "We know for a certainty that budget funds are available."

With these developments, according to statements by leaders of the workers and peasants, relations with the government and the officers of the legislative chamber are tending to deteriorate, and their normalization will depend on the results of the meeting to be held between the workers and President Azcona Hoyo next week.

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CRITICS ASSAIL AZCONA'S ECONOMIC CABINET

Tegucigalpa LA TRIBUNA in Spanish 5 Mar 86 p 8

[Text] The adviser of the Christian Democrat Party of Honduras (PDCH), Ramon Velasquez Nazar, asserted yesterday that "unfortunately for the country, President's Azcona's economic cabinet is made up of incompetents, and therefore little or nothing will get done for national development."

Velasquez Nazar, an economics professor at the National Autonomous University of Honduras, said that "the economic situation is currently favorable for the country due to the drop in oil prices and the increase in coffee prices. Unfortunately, however, the officials in charge of economic decision-making are incompetent because they are not showing that they can use these funds to strengthen and expand the national production machine, which is the only way that this situation will benefit Honduras," he charged.

Velasquez Nazar maintained that "there are two reasons for the incompetence. In the first place, the same economic model is being applied: the one that benefits wealthy minorities and leaves crumbs for the people; this is being made worse by partisan politics. Secondly, people without any experience in the field are being placed in key economic posts."

"We have an economic cabinet made up of people who do not have in-depth knowledge about this science, and therefore the mistakes are not long in coming when decisions have to be made. Although they may be good people, the political restrictions that Azcona has placed on them are causing them to run things deficiently," he indicated.

In this regard he noted that "there is no National Development Plan; they are causing a crisis in the Honduran Coffee Institute; they cannot cope with unemployment; they cannot manage the drop in oil prices and the rise in coffee prices. Being an economist means more than just obtaining a university degree; it means constantly analyzing the domestic situation in light of this discipline."

He went on to say that "it is infuriating to see the lines of unemployed people at government agencies, the crisis at the Professional Association for Improving Teaching in Honduras and the problem of the street vendors."

He said in conclusion that "the barefaced manner" in which U.S. Ambassador John Ferch is publicly meddling in the country's internal affairs is humiliating.

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HONDURAS

FOREIGN MINISTER SAID TO LACK STRATEGY

Tegucigalpa LA TRIBUNA in Spanish 6 Mar 86 p 5

[Editorial: "The Foreign Policy of Silence"]

[Text] The foreign relations minister is not a beginner in his field. He has held posts in that state secretariat for years.

The Foreign Relations Secretariat was not treated like the others when the cabinet was being formed. We are talking about the revolutionary experiment in which doctors or lawyers were appointed to posts that used to be filled by economists or administrators, and professors were chosen where engineers used to be preferred, and so on and so forth in other major secretariats. The head of the secretariat in charge of the country's foreign policy is an experienced professional who knows the field.

The problem is that at least so far the only thing that the Foreign Secretariat has made a definite decision about is that tuxedos and evening gowns are required dress at its receptions. There has been nothing remotely resembling a foreign policy. The previous administration at least came out initially with a peace proposal that later served as a framework for the Contadora countries.

A foreign policy should begin by addressing problems that are right next door. We are talking about the border dispute with El Salvador and, obviously, about Nicaragua.

As far as the conflict with the Salvadorans is concerned, the peace treaty that we are all familiar with provides for a period of direct talks and a period of arbitration. The direct negotiations have already been exhausted. Now that the period provided for in the treaty for direct talks between the parties is over, the only recourse left is to turn to the International Court of Justice. The same treaty provides for a 6-month period in which the two countries are to negotiate and sign an agreement under which they jointly submit the dispute to the International Court for its decision. If after 6 months the parties do not reach an agreement, either may unilaterally petition to have The Hague settle the dispute.

The treaty does not say that the parties cannot talk during the stage in which we now find ourselves. They can talk all they want within the bounds stipulated by the treaty. What they cannot do is negotiate anything having to do with a direct settlement of the border dispute, because this avenue has been closed off. To do so would violate the treaty. If Honduras were to make this mistake, it would not only be playing into the hands of the Salvadorans but it would also compromise the clause that compels the States in question to turn to The Hague.

This is what the foreign minister has not clarified about his little trips and his chitchats with the Salvadorans. If the subject is the resumption of direct talks between the parties, then God have mercy on us. There is something else that we find scandalous. The foreign minister has just declared that "no one, neither the Salvadorans nor the Hondurans, should expect to get a hundred percent of what they want." Our question is: Why? The Honduran people have been told for years that we have all of the documents we need to avoid having to surrender part of our territory to El Salvador. What then is the purpose of our foreign minister's defeatist attitude? The foreign minister should never have said what he did. Let the Salvadorans say that they are not going to get everything they want, but not us. If in The Hague we fail to obtain the territory we deserve, it will be because the people whose job is to prepare and argue our case are thick-witted. And in that case (preventive medicine is in order here) we had better seek out others who can argue our case properly.

As far as relations with Nicaragua go, how is it that Shultz has disclosed something in the United States that no one knows about here? According to THE WASHINGTON POST, the secretary of state revealed that "the controversial U.S. aid to the Nicaraguan contras, the lethal component of which the administration wants to expand greatly, will be channeled through Honduras." He explained that in late 1985 Honduras erected obstacles to the delivery of supplies, noting however, that "this problem has been taken care of now."

The Foreign Secretariat has not even taken a stand. It must be a question of style. Since the previous fellow was quite boisterous, this one prefers total silence so as not to wake anyone.

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FUTH LEADER ON RAMOS, CALLEJAS CANDIDACIES

San Pedro Sula TIEMPO in Spanish 24 Feb 86 p 8

[Text] Tegucigalpa--The president of the Unitary Federation of Honduran Workers (FUTH), Hector Hernandez, contends that neither Rafael Callejas nor Oswaldo Ramos Soto will make the National Party less conservative.

Hernandez, who is a former president of the Union of Workers of the National Autonomous University of Honduras, feels that Callejas and Ramos Soto "have the same political philosophy; there is no substantial difference between the two."

He said that both Oswaldo Ramos and Callejas belonged to the now defunct Association for the Progress of Honduras and were loyal admirers of the repressive activities of the former chief of the Armed Forces, Gen Gustavo Alvarez Martinez.

As the rector of the National Autonomous University of Honduras, Ramos Soto has done nothing more than silence the student movements so that they cannot speak out against or protest social injustices, thus maintaining the status quo.

He also indicated that Ramos has never "publicly protested the presence of U.S. troops or of the Nicaraguan contras on our soil."

The union leader recalled that the university rector supported Callejas' candidacy, thus demonstrating that he was in agreement with the government platform that he was proposing.

"We believe that if Ramos Soto wants to be president of the republic, he ought to propose a government platform that is different from Callejas', because otherwise the same fate awaits him in the general election," he said in conclusion.

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MARADIAGA DISCOURAGES CAMPAIGN SUPPORTERS

San Pedro Sula TIEMPO in Spanish 11 Feb 86 p 5

[Text] Tegucigalpa--Dr Jorge Roberto Maradiaga has disavowed the Azconista groups that have been pushing his presidential candidacy and has asserted that "the people are tired of all this."

The general coordinator of the Azconista movement said in reference to Archbishop Hector Enrique Santos' remarks that he is "in complete agreement" because "right now candidacies are premature."

Maradiaga said that he has presidential aspirations but that he would put them off them for at least 2 years, when President Jose Azcona Hoyo has succeeded in consolidating his administration and carrying out much of his government program.

"Although it is true that I have aspirations, I am not launching a campaign at this moment," the politician asserted, adding that "we ought to give Azcona at least 2 years to get things done."

Maradiaga contended that "the people are tired of so much politics after 4 years of intense activity in this field."

Maradiaga assumed that he was not among those whom the archbishop of Tegucigalpa described as "cheap politicians" because "I said that I was going to walk, not run."

The vice president of the National Congress said that it was not yet time to launch presidential candidacies because "there is still a long road to hoe."

"The right thing is to leave the people alone, as Archbishop Hector Enrique Santos is asking," said the man who wants to be the Liberal Party's presidential candidate in 1989.

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INDEPENDENT MOVEMENT CONDEMNS MONARCA FACTION, AZCONA

Tegucigalpa LA TRIBUNA in Spanish 20 Feb 86 p 7

[Text] The disarray in our political group, heightened by the dishonesty of certain leaders and the shamelessness of others, is taking us down the unpleasant road of mistrust and lack of faith. We chose the path of general elections after the gesture by the military group that enabled the law and justice to ultimately prevail and the party, which had been sullied by elements that had collaborated with the Suazo Cordova administration, to be rescued.

We went to the polls confident in the authority of the constitution, and the people expressed their sovereign will. They gave us an overwhelming victory, which was then perverted by an unpardonable flaw.

Our unpleasant defeat was hatched on 22 November, 2 days before the elections. At the Honduran Air Force headquarters, the National Party leadership publicly declined to abide by the constitution and accepted a deal whereby the National Election Tribunal would make a premeditated decision to ignore the constitution and impose an arrangement under which the presidency would go not to the candidate who obtained the most votes, but to the one whose party had the highest vote total. This was when the National Party lost the election.

Since then there have been constant assertions that we had to obey the National Election Tribunal's decisions, even if they flouted the constitution. Involved in this were not only the candidate who stepped aside but also the party that has refused to relinquish the victory it won. In any event, the National Party has emerged stronger and more aware of its role in the country's history; we must always recognize this achievement by a candidate with great personal appeal.

The dark forces of the past decided to set up an arbitrary and illegal Electoral Commission to safeguard them if they lost the general election. Then, in an unholy alliance with a faction of the Central Committee, albeit not pursuant to a committee decision, came the silent assault on the party in a bid to take it over. Legal formalities devised for evil purposes were complied with, and a silent decision was made, silent so that no one would protest, to have the votes in presidential election also count as votes for electoral agents.

After the electoral contest we members of the National Party realized that he had won but that the leadership would accept only a defeat at the polls. The people's aspirations thus perished, and close cooperation began between the loser and the winner, as positions were offered and accepted.

The Electoral Commission continued to operate. Thus, even though there were no candidates, the electoral delegates emerged. Born in secrecy, without having been previously introduced, without even them knowing it, in a carbon copy of the sorry old system that had previously sunk its roots here and given rise to handpicked winners, the delegates became a legal institution whose foundation lies in the dark past and in the cynical procedures that flout freedom of choice.

The National Party cannot remain silent in the face of such an abuse. Although it is true that the former candidate of the Monarca Movement brought us the seed of a new fervor, it is also true that we want to live together in freedom and democracy and that we have not abandoned the longstanding ideal of free internal elections to select our own leaders.

This prompts us to condemn any dishonest procedure that entails selecting candidates for posts that should be filled only by direct and free elections. We have sworn before the altar of our consciences to carry on the struggle for this principle.

All of the party authorities that emerged from that fraudulent election on 24 November are a flagrant mockery of the National Party. They have prostituted themselves and represent the antithesis of clean politics and the vestiges of a foul and antidemocratic school. They have undermined the civic ideal, turning it into a mockery and an illusion. An upstanding member of the National Party could never concur with this form of selection, which is an assault on free will.

The independent Nationalists have emerged because of the party's shouts of protest. They are a response to the abuses and embody the faith that a new sense of honesty will enlighten us and the enthusiastic desire that many others accompany us on our crusade for grievances.

We have been pleased to see the logical majority on the Supreme Court of Justice. A substantial number of legislators in the National Congress are satisfactory to the entire institution, but we vigorously condemn the collaboration that has become public between the Monarca faction and President Azcona. A faction cannot and never will be able to claim that it is a member of the opposition as long as it holds positions filled by the Executive Branch.

As long as an opposition enjoys cushy jobs, it is not an opposition; it is a covert evil. You cannot serve and, at the same time, bite the hand that has fed you. Therefore, this close collaboration will necessarily lead to a disastrous defeat for the blue party at the coming elections, because the government's weakness will make us weak and its strength will make us useless and incapable of achieving victory at the ballot box.

We can achieve power in 1989 only by remaining in the opposition, by retaining control of the Judiciary and by strengthening the legislators' bonds to the blue party.

We have faith in our political institution. A fine candidate strengthened us, but the fact is that he lost. A political party cannot base its appeal on an individual, because individuals are mortal.

The National Party's constituency was presumably not pleased by the outcome of the elections on 24 November and still less with the ultimate behavior of the individuals in whom they had placed their trust. Thus, almost immediately thereafter very close followers of the candidate hurriedly announced that they might replace him and in the near future launch campaigns for the National Party's next presidential nomination. This premature announcement of candidacies shows that the thrice-defeated National Party still lacks candidates who realize that the most important thing is not the ambition for power or the benefits of materialistic pacts, but to recover the dignity, strength and courage with which the National Party has filled the pages of history in its struggle for national redemption.

Those of us who make up the Independent National Party, which is officially born today, believe in a program to benefit all, a program whose roots are to be found in the land, which is the foundation of our National Party. This is why we advocate a government program that can shape a new and different method of administering the republic, lift agriculture out of the quagmire in which it finds itself and blow through the country like a whirlwind of change while preserving the utmost administrative honesty.

We sincerely believe that only a properly guided opposition to the current administration, an opposition consisting of freely and cleanly chosen leaders, can lead us to victory in the next presidential election.

As an act of faith we are seeking honest elections in which our fellow party members can select their own leaders.

The workers, the peasant farmers, private businessmen, professionals, students and the people in general should have faith in and support our patriotic activities, which are designed to insure the genuine unity of the National Party and comprehensive progress for Honduras in accordance with the authentic principles of democracy. We condemn the collaboration that the National Party's spurious authorities are engaged in with the Liberal administration and we trust that our constituency will understand our upstanding approach and accompany us in achieving normalcy in our party and victory in 1989.

Tegucigalpa, 15 February 1986

Leonardo Matute Murillo, Orlando Henriquez, Reynaldo Barahona and other signatories.

8743
CSO: 3248/364

BANKERS PROTEST PREFERENTIAL TREATMENT FOR ARMED FORCES BANK

San Pedro Sula TIEMPO in Spanish 12 Feb 86 p 5

[Text] Tegucigalpa, 24 February 1986

Mr Gonzalo Carias Pineda
Chairman, Board of Directors
Central Bank of Honduras

Dear Mr Chairman:

The Honduran Association of Banking Institutions has received an unpleasant piece of news. At its session on Thursday 23 January, the Board of Directors of the Central Bank of Honduras passed a resolution transferring to the Bank of the Armed Forces the maximum amount of international holdings and the weekly quota for the sale of U.S. dollars to the public that were authorized for use by the Bank of America. In the first case the increase was from $200,000 to $1.7 million, and in the second from $20,000 to $50,000. The General Assembly of the Association debated the content and scope of the resolution this morning and concluded that it is arbitrary, unjust and discriminatory against private domestic banks. We can find no sound argument to justify the decision by the Board of Directors of the Central Bank of Honduras to grant unwarranted privileges to the Bank of the Armed Forces. Furthermore, this action obviously jeopardizes the competitiveness of commercial banks, especially those that for many years have been under restrictions from the Central Bank of Honduras in the field of international currency holdings and the public sale of U.S. dollars.

The Honduran Association of Banking Institutions feels that it is its duty and responsibility to protest this decision most vigorously to the Board of Directors of the Central Bank of Honduras. Not only does the decision discriminate against all other private banks, but it also runs directly counter to the objectives set forth in the law creating the Central Bank of Honduras. Article 2 of the law provides that the bank's objective is to promote monetary, credit and exchange conditions that are as favorable as possible for the development of the domestic economy, and the Central Bank is given the responsibility of taking measures to strike a reasonable balance among the banks as a whole, without engaging in favoritism of any sort.

The Honorable Board of Directors of the Central Bank of Honduras should remember that private banks have consistently supported the monetary, credit and exchange policies that have been pursued over the past 4 years and that in so doing we have acted with patriotic responsibility, thinking solely about Honduras' higher interests. Therefore, we believe that such unqualified support should not be penalized with measures such as the one we are commenting on, measures that only demoralize, represent disincentives to and sow discord within a sector that is so important to our national development.

For all of these reasons, we appeal to you and, through you, to the Board of Directors of the Central Bank of Honduras to immediately repeal the decision in question and to order that the funds assigned to the Bank of America for both purposes be distributed equitably among all of the country's private banks, with preference for those whose limits are very low.

We are demanding justice and equity for our members, and for this reason we expect that our appeal will be accommodated in the same spirit, so that there is no cause for dissatisfaction and criticism that would not enhance the reputation for fairness that the Central Bank of Honduras ought to enjoy.

We remain,

Very cordially yours,

Rolando del Cid V., president
Jose Arturo Alvarado, vice president
Salvador Gomez, secretary
Jose Antonio Perez, treasurer

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TEACHERS CLAIM COMMUNIST INFILTRATION OF GOVERNMENT

Tegucigalpa LA TRIBUNA in Spanish 7 Mar 86 p 2

[Text] Former high-level Public Education officials and departmental supervisors yesterday accused President Jose Azcona of "playing into the hands of international communism."

During a demonstration outside the Government Palace a group of teachers belonging to the "democratic" faction of the Professional Association for Improving Teaching in Honduras (COLPROSUMAH) charged that "exotic doctrines are infiltrating" the current administration.

"International communism is penetrating every sphere of the Azcona administration, especially the educational system," said Pablo Portillo Figueroa, a former Public Education official, when he took the floor outside the Presidential Palace.

Portillo Figueroa, who was recently fired, headed up the demonstration along with the departmental supervisors of Cortes, Clodoveo Tobar, and Ocotepeque, Eucebio Ventura, who have also been dismissed.

The demonstrators, who numbered fewer than 200, demanded the resignation of the deputy minister of education for administrative affairs, Cecilio Silva, and condemned Finance Minister Efrain Bu Giron for having ordered the withholding of the monthly dues paid by the teachers who belong to COLPROSUMAH.

The dues have been frozen in the General Treasury of the Republic until the teachers organization can settle its internal dispute. It has two boards of directors, one the so-called official or democratic board and the other the authentic board.

In his speech the president of the "democratic" COLPROSUMAH, Roberto Lopez Tinco, asked the government to speed up passage of the Teachers Statute, while the demonstrators chanted "Communism, no; democracy, yes."

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BRIEFS

COTTON GROWERS FACE CRISIS--Cotton growers yesterday told President Jose Azcona about the difficult economic problems they are having as a result of the loss of 60 percent of their crop; they were promised that their complaints would receive a hearing in the Council of Ministers. Osmin Melgar, the general manager of the Cotton Cooperative of the South, said that growers posted losses of 5.5 million lempiras and that their debts to the National Agricultural Development Bank have increased by 6 million. He pointed out that the yields at the most recent cotton harvest averaged 22 quintals per manzana [1 manzana=1.75 acres], with some as low as 11 quintals, whereas in 1984 45 quintals per manzana were harvested. "Along with the drops in output because of the drought and the flooding, cotton prices are very low on the international market. We are therefore seeking government assistance in setting a support price, which is the only way to keep cotton growing alive," Melgar asserted. He underscored the importance of cotton growing as a source of jobs during the harvest season, pointing out that at least 60,000 people work in the cotton fields every year. [Text] [Tegucigalpa LA TRIBUNA in Spanish 20 Feb 86 p 3] 8743

CSO: 3248/370

ORTEGA ON HUMAN RIGHTS, MISKITO AUTONOMY, CONTRAS

DW290621 Hamburg DER SPIEGEL in German 28 Apr 86 pp 158-165

[Interview with Nicaraguan President Daniel Ortega by unidentified SPIEGEL correspondent; no place and date given]

[Text] SPIEGEL: Mr President: How many people do you keep prisoner?

Ortega: About 3,500--Those with a Somozist past, others who were involved in counterrevolutionary activities, and criminals.

SPIEGEL: Then the German social democrat Hans-Ulrich Klose is right in estimating that there are 2,700 political prisoners in Nicaragua?

Ortega: If you call all the criminals who were taken prisoner at the victory of the revolution--Somoza's National Guardsmen, torturers, hangmen--political prisoners, that number might be right.

SPIEGEL: Your critics maintain that you oppress opposition forces, that you arrest your antagonists arbitrarily and even torture them.

Ortega: Nicaragua is open to all international human rights organizations at any time. They look after the legal situation of the prisoners and their physical condition, and they investigate possible torture.

SPIEGEL: Is the violation of human rights by security or armed forces really punished?

Ortega: In several cases members of the armed forces were downgraded publicly. Others were sentenced in public trials to 30 years imprisonment. That is the maximum penalty.

SPIEGEL: A former member of the Interior Ministry, Lieutenant Baldizon, maintained in the United States recently that Nicaragua's security forces killed about 2,000 people between 1979 and 1985.

Ortega: That is a lie. Several international human rights organizations working in Nicaragua have already shown that the list of allegedly murdered or missing persons in our country does not include more than 300 names.

SPIEGEL: But you admit that about 300 people were murdered?

Ortega: We do not know where those 300 people are. In many cases investigations were made and it turned out that they had joined the counterrevolution. That is the reason for their disappearance.

SPIEGEL: It is said that prisoners held by the security policy were beaten or intimidated at "El Chipote."

Ortega: It is one of our principles not to beat a prisoner. Maybe that principle was violated during the war situation in Nicaragua, but it is against our law.

SPIEGEL: State Security Chief Lenin Cerna has often been accused. The Standing Human Rights Commission of Nicaragua, for instance, published the testimony of Sofonias Cisneros Leiva, who maintains that he was beaten by Lenin Cerna.

Ortega: We heard about that case and we have even asked the Red Cross to investigate. The gentlemen of the commission are political activists who are against the Nicaraguan people's revolution, but they can live in freedom in Nicaragua. They make those charges without having evidence of alleged torture. They just want to defame the revolution.

SPIEGEL: Why does the Sandinist Front prohibit the International Red Cross from visiting "El Chipote" when it has nothing to hide?

Ortega: No country in the world allows human rights organizations to enter the most important interrogation centers. We cannot make an exception in Nicaragua.

SPIEGEL: Even friends of the revolution, among them the Socialist International, criticize the Sandinist system more and more frequently. Why have pluralism, a mixed economy, and democracy not been introduced so far?

Ortega: Pluralism cannot freely develop in Nicaragua because the extreme conditions of aggression from outside do not allow normal life. We emphasize again and again--it is temporary.

SPIEGEL: When will it change?

Ortega: When North American aggression ceases and a normal situation prevails, there will be no more reason for any restrictions. Then pluralism will develop normally. On the other hand, those who assess the Nicaraguan experiment positively cannot expect that the system here will function in the same way it does in their countries.

SPIEGEL: The German social democrat Hans-Juergen Wischnewski, an old friend of the Sandinists, doubts that there has been a "positive development toward democracy" in Nicaragua.

Ortega: That is his impression. If he sees it that way, I must respect it. Perhaps he does not recognize a positive development because his expectations are oriented to democracy in his country. We have our own concepts of democracy in our country. Our reality is determined by the war, and establishing democracy depends on the end of the war.

SPIEGEL: Currently the National Assembly is working on a new constitution in which it is planned that the president will nominate the judges. Is that not a clear attempt at restricting the independence of the judiciary?

Ortega: I do not wish to comment on the discussions on the constitution. The National Assembly has not yet finished its work. The details depend on the debate, in which all political parties are participating.

SPIEGEL: An internal problem that costs the Sandinists a lot of sympathy with the people is the poor supply situation. Do you blame the American economic blockade solely for that?

Ortega: Do not forget that the whole of Latin America is in a deep economic crisis. The economic problem does not exist because the revolution was victorious. Nicaragua has never been able to meet its need for grain and food from its own production. If Somoza were still here, the Nicaraguan people would still be suffering from the economic crisis--with the difference that Somoza would not undertake to distribute the burden evenly. He would burden the poor with the costs, and protect the rich from the effects of the crisis.

SPIEGEL: And you wish all the people to suffer equally?

Ortega: All strata of society must face the crisis equally, not just one group. He who has more must pay more tax. If a country is going through a grave crisis and you want to provide the whole population with bread, then you must ration--or else just some of the people get bread while the rest have nothing.

SPIEGEL: On the black market, however, scarce food is available.

Ortega: Yes, and in spite of the "totally controlled economy" of Nicaragua that all the world is talking about, there is nevertheless room for a free market in which people speculate. But we are trying hard to guarantee fixed prices to the workers via distribution centers. If a worker, however, wants to buy things beyond his ration, he may do so on the free market where he must pay a much higher price.

SPIEGEL: People say that even in the distribution agencies of the Ministry for Domestic Trade the black market is proposing even after 10 at night.

Ortega: Certainly, certainly. There are shameless people who do business, I do not doubt that. But they will be punished. People who do business with the property of the community will be thrown into prison.

SPIEGEL: Many of the Miskito Indians who had offered armed resistance to your government have returned from Honduras to their Nicaraguan settlements. They have seized parts of the Atlantic coast--with the support of the government. What agreements have you made with the Miskitos?

Ortega: We have a direct dialogue with the Miskitos. We assured them of a step-by-step autonomy. By doing so, we achieved relative stability in some areas. Our army is providing them with ammunition, clothes, boots and food, so that they are able to defend that area.

SPIEGEL: The Miskito leader, Brooklyn Rivera, has recently spoken of new repressions against his people, of new murders and resettlements.

Ortega: We gave Rivera a chance to talk, so as to find a solution to the problems on the Atlantic coast. But he rejected it. He refused to talk, without stating a reason, and he continued to back attacks by counterrevolutionaries.

SPIEGEL: Why do you not end the state of emergency if the relations with the Miskitos are really better now and the contras sit beaten in Honduras?

Ortega: The United States, the true master of counterrevolution, has entered into a crusade against Nicaragua. Now the contras, their instrument, have failed. They were not able to destroy our revolution. Recently they tried to provoke a border war between Honduras and Nicaragua. They failed again. What else can the U.S. President do but engage us even more directly?

SPIEGEL: Do you really believe there will be a U.S. invasion?

Ortega: To begin with the president is demanding $100 million for Congress to enable him to continue his terrorist attacks against Nicaragua and to engage military advisers to support the mercenaries.

SPIEGEL: Do you see a parallel to Vietnam?

Ortega: U.S. soldiers are increasingly taking the place of mercenaries. That development clearly recalls Vietnam. That is why we talk about a Vietnamization of Central America. The United States is heading for a military showdown, something we have foreseen for a long time.

SPIEGEL: However, U.S. troops have been in Honduras for a long time without having launched an attack.

Ortega: Congress is openly discussing how to attack Nicaragua. The next few days will be decisive for the future relations between the United States and Latin America. The United States will not just come up against Nicaragua, but the whole of Latin America. The whole continent opposes U.S. policy on Nicaragua. The conflict is between Latin America and the United States.

SPIEGEL: Are the contras no danger at all?

Ortega: The struggle is not directed against the contras. They exist only as long as the United States wants them. President Reagan declared himself a contra. He demands financing of the contras. The United States is supplying weapons. U.S. troops are helping out. Therefore, the situation is more dangerous than before.

SPIEGEL: That is not new. The United States has used Honduras as a military base for at least four years.

Ortega: They are deploying their armed forces, even risking direct confrontation with our troops. If U.S. helicopters interfere to support the contras they will be shot down. If U.S. military advisers collaborate with the contras, U.S. advisers will die, and then U.S. troups will be mobilized. The conflict will escalate.

SPIEGEL: Do you foresee war with Honduras?

Ortega: No, not with Honduras. The problem is that the Honduran border area is occupied by the United States. The United States decided to settle counterrevolutionaries there. There is no possibility of a war with Honduras, but of a war with the United States from Honduran territory bordering Nicaragua.

SPIEGEL: Your troops, too, have crossed the Honduran border.

Ortega: Our operations were not directed against Honduras or Honduran troops, but exclusively against mercenaries. In order to disguise the presence of U.S. soldiers fighting on the side of the contras, the United States transported Honduran soldiers to the south and talked about a Nicaraguan attack against Honduras. That was President Reagan's big Easter lie. But there was no attack against Honduras.

SPIEGEL: Did you inform the Honduran Government about the operation?

Ortega: I spoke with President Azcona. He expressed no concern at all that Nicaragua might attack Honduras. He was worried about an alleged violation of Honduran air space by Nicaraguan helicopters. I told him that the flight had not taken place at all and the problem was solved.

SPIEGEL: One of the reasons for U.S. support for the contras is Nicaragua's ties to Cuba and the Soviet Union. The Sandinist army is the strongest in the region anyway. What do you need military and security advisers from those countries for?

Ortega: We agreed to withdrawal of all military and security advisers from the Central American region, including Nicaragua. We submitted that proposal to the United States. We support the respective proposal by the Contadora group to withdraw all foreign military advisers from Central America and to proclaim the isthmus a neutral zone. That should reassure the United States if it is concerned about security in the region, and it would also reassure Nicaragua.

SPIEGEL: Some countries, such as Honduras and Costa Rica, are afraid of the Sandinist army because it is the strongest army in Central America. They believe that they cannot make do without the assistance of the United States.

Ortega: No matter how strong the Sandinist army, it would never attack a Central American country, even if such an option existed. It would, after all, be the greatest folly and madness. Nicaragua would immediately have world opinion against it, and the Untied States would have the justification to send its armed forces marching against Nicaragua--with international support. That would spell Nicaragua's suicide.

SPIEGEL: Why, then, do you need such a strong army?

Ortega: The U.S. textbooks say that to combat a guerrilla force successfully you need to be ten times stronger. Reagan is planning to increase the counterrevolutionary army to a strength of 35,000 men. Our army is a purely defensive army--it is the people. The professional army is relatively small. The great mass of fighters is the people, the organized peasants. We have distributed more than 200,000 rifles to the people. That has been done for the purpose of defending the interests of the revolution and not of setting up an enormous army around here. Our economy could never sustain an army of 200,000 men.

SPIEGEL: It is not just the United States, but the Contadora states that urge you to negotiate with the contras. What would be the conditions under which you would be prepared to do that?

Ortega: We have not received any suggestions from the Contadora group to negotiate with the contras. The Contadora proposes, and we have all supported it, to conduct an internal dialogue of national reconciliation within the institutional framework of each country.

SPIEGEL: Then are you prepared to negotiate with the contras?

Ortega: We are prepared to negotiate with the contras, meaning with Reagan, the boss of the contras. The others are the paid help carrying out orders--gunslingers. It is necessary to talk with the boss of the gang, with the one who supplies the weapons, the one who says who is to be killed and which targets are to be destroyed.

SPIEGEL: Bishop Vega, the former chairman of the Nicaraguan Episcopal Conference, just recently quoted Fidel Castro that "good chances exist for a dialogue" with the contras.

Ortega: I do not know where he gets that. I think he dreamed it. It is absolutely impossible to negotiate with these people.

SPIEGEL: Why?

Ortega: Negotiations would mean legitimizing the acts of terror the United States has its groups commit. It would be suicidal.

SPIEGEL: What about the political leaders. Can you not talk with them?

Ortega: Alfonso Robelo and the others are hirelings of the CIA--their names appear on its payroll. That has been proven and more. Now they apparently are stealing the money the CIA set aside for the contras, according to a U.S. senator.

Spiegel: Are you not afraid that you will lose solidarity if you simply ignore the suggestions to negotiate made by friendly politicians?

Ortega: When the foreign ministers of eight Latin American countries recently met in Washington with their U.S. counterpart Shultz, they suggested a dialogue between the United States and Nicaragua, not a dialogue with the contras. The U.S. Government rejected that proposal. Reagan did not even receive the eight ministers, whereas he met with his hired help three times that same week in the White House.

SPIEGEL: And in view of all that, do you still hope for a talk with the U.S. President?

Ortega: It is necessary to talk with Reagan, to explain to him that his policy is wrong, that normalization of relations, that an understanding with Nicaragua is possible.

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NICARAGUA

PPSC LEADER ON CONSTITUTIONAL PROCESS

Managua EL NUEVO DIARIO in Spanish 31 Mar 86 p 2

[Excerpts from interview with Mauricio Diaz, reprinted from PENSAMIENTO PROPIO, Jan-Feb 86; date and place not given]

[Text] This interview with Popular Social Christian Party leader Mauricio Diaz was published in the January-February 1986 issue of PENSAMIENTO PROPIO. We are reproducing here, omitting some paragraphs with the permission of the author, the main thoughts expressed by Mauricio Diaz who, while allied with the revolutionary process, is at the same time a critic of the Sandinist Front.

[Question] Do you believe that the Sandinist Front lacks a drafted (constitutional) proposal?

[Answer] In Nicaragua, the vice of the government parties has been to impose their constitutions and then to keep fiddling with them.

Anastasio Somoza is famous for having said "just for now" each time the constitution was amended. Now the truth is that the other political parties have not submitted their own draft constitutions. The PPSC is the only political organization which has its own constitutional proposal, and it does not hide it.

[Question] Some parties, for example the Independent Liberal Party and the Socialist Party, maintain that the state of emergency makes any constitutional debate invalid. To date, the PPSC has not adopted any categorical position.

[Answer] We maintain that the imposition of the state of emergency was a counterproductive measure. How can the great national consultation of which there is talk take place, and how can a political constitution be drafted on the basis of the broadest consensus possible, with a state of emergency and the suspension of 13 articles of the Statute of Rights and Guarantees for Nicaraguans, including freedom of movement, association, assembly outside closed premises, etc? In this connection we feel the need to have the state of emergency lifted so as to give the process of constitutional debate greater credibility and to allow unlimited participation.

However, there have indeed been historic experiences when political constitutions were drafted during a state of emergency. The French Revolution itself promulgated the first liberal constitution in history under such conditions.

There have been other cases, but our fear is that the state of emergency will impose a kind of strait jacket limiting the development of the whole discussion, particularly when we take up the most sensitive subjects--the problem of the three-dimensional nature of the Sandinist movement (state, army, party), the subject of religious education, the party-oriented development of the armed forces and their institutionalization, etc.

If we assume that it is possible to continue with the whole work plan of the National Assembly (AN), with open municipal council meetings, and also that we can pursue ours plan, which calls for "constitutional dialogues," we would be legitimizing the state of emergency. The response given by the secretary of the National Assembly is a half-truth, and half-truths are more damaging than lies. The state of emergency imposes a threat which hangs over all Nicaraguan citizens, who are virtually under the control of the Ministry of Interior and the Office of State Security, although not to the extremes of the states of emergency under Pinochet.

We oppose the state of emergency basically because we believe it has no effect on the counterrevolution, which continues to function as before. We believe that another series of reasons is forcing the Sandinist Front to establish the state of emergency. These are the problems with the church, the economic crisis, the wage demands of the workers, the demand for amendment of the Military Service Law and for its proper application.

However, some of our parties have not yet decided if we should continue with the constitutional effort, regardless of the state of emergency. What is difficult at this time is to determine who is right and who is not. Withdrawing from the constitutional debate might also open the valves and accelerate dissolution and war. We believe that the constitution which has already been drafted, with a democratic content, is a political weapon of the state.

[Question] With the inauguration of the second legislature, each party is supposed to present its draft constitutional proposal. The picture does not seem entirely clear. What will happen if a number of parties choose to abandon the Assembly?

[Answer] Each party is not necessarily required to present its own constitutional draft. The procedure which has been used calls for the CEC to draft a single proposal to be submitted to the municipal councils and discussed, finally, in a plenary session of the AN. On the other hand, there is a plan for the PPSC to submit the constitution already approved by the AN to a referendum.

In reaction to the threats of withdrawal from the Assembly, the FSLN has stated that it is prepared to draft a new constitution without the participation of the other forces, if necessary. This is something which is entirely unwise. Thus far, the PLI has withdrawn from the CEC but not the Assembly, nor has it made any reference to the constitutional debate.

[Question] Knowing this, the political parties may be tempted to "blackmail" the Front.

[Answer] Well, as a government party, the Front is able to avoid this. In any case, it is the FSLN which must basically show the desire to draft a national consensus constitution. However, the action of the Sandinists--their language and rhetorical accusations—often gives the impression that they are seeking to force the parties to withdraw from the Assembly.

[Question] What logic would there be in this attitude?

[Answer] I believe that the cost of democratic institutionalization in Nicaragua is a rather high one for the Sandinist Front in its present circumstances, with the military aggression and economic pressures. It would sometimes seem (from a Marxist-Leninist point of view) that the FSLN has only taken some steps backward, not forward. I mean in the sense that many concessions have been made in the realm of institutionalization, with nothing being received in exchange. I even think that the 4 November 1984 elections had no corollary in material solidarity and international policy. From this point of view, the cost-benefit ratio did not favor the FSLN, but has been gradually pushing it into a position where it is very weak, administering a country under a political constitution which establishes principles such as political pluralism and a mixed economy, as well as nonalignment, while it has not succeeded in consolidating a party project. And with future and imminent municipal elections as an aggravating factor.

In one way, the Assembly is a hindrance to the Sandinists. For this reason they do not give it the weight and importance which would be expected. The Assembly does not debate its own budget, much less the general budget of the republic. In addition, the Assembly is censored. The opinions of the parliamentarians are not reported in the national press, which is subject to censorship and a polarity phenomenon, which explains why some news media have their own policy of censorship with regard to the AN. Thus public opinion in Nicaragua and abroad sees the Assembly as an odd, limited, low-profile and even obscure body. It is only mentioned when it is in agreement with the government, or when it speaks out against U.S. aggression. But it is necessary for the Nicaraguan people to know, without limitations, what the positions of the parties on the matters affecting the citizenry are.

[Question] Is it wrong to think that the Nicaraguan political scene is being polarized? For many reasons, 1986 would appear to be a year of definition, both for the United States and for Nicaragua.

[Answer] I believe that the zigzags in the attitude of the Sandinist Front with regard to the democratic institutionalization of Nicaragua have led to more and greater tensions domestically, and the Reagan administration has in turn made use of this to justify its aggression. In our view, the interest in and ability to convoke elections was obvious. It was demonstrated that there was desire a both domestically and internationally to satisfy this demand.

The elections were legitimate. Unfortunately, practice has been weakening them. There are those who say that there was some uncertainty in the Sandinist leadership as to the democratization project.

If in spite of the progress made, the international demands for democratization in Nicaragua have not been satisfied, we believe that it will be necessary to strengthen this process, which must be accompanied by an internal dialogue of a sort which will reduce the social tensions and some of the contradictions between the state and the most important sectors of our society.

[Question] Do you believe that the strategy of the United States is producing results?

[Answer] The Sandinist Front has been thrown into confusion. The country has entered into a profound economic crisis, as we are talking about inflation in the range of 500 percent, and an informal sector which has now almost replaced the formal sector of the economy, weakening the productive apparatus. We continue to be convinced that there has been bad management of relations with the Catholic Church. Even the links with the Evangelical Church have deteriorated. On the other hand, military pressure does not allow either domestic economic development or a possibility of democratic development for the country, in the broadest sense of the term.

In the Central American region, center-reformist governments are a part of the common strategic model for the area, which is seeking to separate itself even more from the Nicaraguan revolution.

There have been new developments in Central America, such as the installation of Cerezo and the rise of Azcona to the presidency in Honduras, creating a new reality which could help to establish a favorable balance for the internal democratization effort in Nicaragua, within the Central American context. The new government leaders have expressed their desire to avoid war, although perhaps not very energetically.

In the view of the PPSC, the constitutionalization of the republic is a defensive political weapon for the state. It is in the final analysis the tool which could persuade neighboring governments that there is a democratic constitution here, a constitution guaranteeing respect for the classic democratic procedures--periodic election of authorities on the base (municipal), parliamentary and presidential levels, as well as such substantive features as alternation in power and the principle of no presidential re-election--which are basic for Nicaragua.

The Sandinist government has done very little popularize the effort to constitutionalize the revolution, which is taking place under such adverse conditions of aggression and economic crisis, but which despite this, remains unaltered.

We believe that there has been too much uncertainty on the part of the Sandinists as to the path chosen for rescuing Nicaragua from dependence and underdevelopment, and as to the nature of the revolution for our country. The

PPSC maintains that three basic postulates (mixed economy, political pluralism and nonalignment) are revolutionary options for Nicaragua.

[Question] Would it not be best for everyone if the process of drafting the constitution were completed as soon as possible?

[Answer] I believe that it would indeed be best for all--for the country, internally, and internationally. It is true that a new Magna Carta imposes limitations on the power of the state. We believe that it would be politically irresponsible to put off approval of the constitution. While the Assembly is debating matters of form rather than foundation, military pressure is increasing. While we debate definitions and concepts pertaining to the mixed economy, the executive branch has unilaterally amended the Agrarian Reform Law, affecting the already weak mixed economic structure. While we are debating political pluralism, the national state of emergency continues in effect, affecting the political pluralism which is already inherently limited by the aggression in progress and which is hindered and underdeveloped for the historic reasons we have experienced. While we are debating the concept of nonalignment, Nicaragua is more dependent today than ever on the economic aid provided by the East European countries.

We believe that to the extent that with the approval of its new constitution, Nicaragua demonstrates its democratic will, the more space it will win in the Central American and international arena--space which will gradually isolate the White House.

We participated in the 1984 elections because we believed that this was an effective means of influencing the search for peace. The facts have shown that peace was not achieved, although a broad area was won for the politics of war. The U.S. position is increasingly aggressive, and this is also the result of a series of errors committed by the government itself, with President Ortega's trip to Moscow, which had the affect of rallying the U.S. Congress against Nicaragua.

[Question] To what extent are the various political forces prepared to yield, and the FSLN to negotiate?

[Answer] Unfortunately, the Sandinists only seem to listen to bad advice. We do not share their belief that any demand from any political party means a desire for concessions. Every government makes and receives concessions, if it bases its political action on pragmatism.

In order to resolve the internal problem in Nicaragua, it is urgently necessary to launch a process of negotiation with the most important, most influential, and above all most conflict-plagued sectors in the nation. The government should sit down with a previously drafted agenda to negotiate with the Catholic Church hierarchy, and in the same way, with the private sector. I am not speaking of "its" private sector--the National Farmers and Livestock Breeders Union (UNAG), but of the private sector in general. It must negotiate with the country°s trade unions--not just "its" workers in the Sandinist Central Organization of Workers, but the workers as a whole.

A process of reaching understanding should be initiated with the political parties as well, both those which are represented in the AN and those which are not. The Achilles' heel of the Sandinists is the fact that they only seek to negotiate with the sectors close to them. We are not urging dialogue with the counterrevolutionaries. We share the official view of the FSLN that there should be no dialogue with the Contras, but we do not believe that this position should be extended to society as a whole.

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CSO: 3248/351

PCD THREATENS WALKOUT OVER CONSTITUTIONAL PROCESS

Managua LA PRENSA in Spanish 4 Apr 86 p 8

[Text] The director of the Conservative Cordovist faction, Dr Eduardo Molina, asserted that his political organization may withdraw from the constitutional debate if its demands are not accepted by the full National Assembly, which is dominated by the Sandinist Front.

A draft document containing the demands of the officialist Democratic Conservative Party (PCD), in connection with the draft constitution that will be debated soon, emphasizes, among other things, the mention of the divinity in the preamble of the Constitution. It also calls for a better definition of democracy, the total clarification of the different types of economy and their objectives, the observance of human rights, and the affirmation that private initiative and private enterprise are free and should be regulated only to keep them in line with social interests.

The text adds that the national budget, discussed in Article 50, should be drafted by the executive but approved by the National Assembly through the formulation of a Special Budget Act. It also states that a Budget Committee should analyze the budgets of succeeding fiscal years. The current draft constitution indicates that the budget will merely be "studied" by the National Assembly.

The PCD defends the constitutional principle which states that political rights should not be suppressed, but it also defends the exclusion of a constitutional principle that allows for the failure to enforce laws on the grounds of religious beliefs or individual disciplines.

As for the freedom of the press, the Party of Cordova Rivas contends that "all Nicaraguans are entitled the freedom of information, opinion, expression, and dissemination of ideas through the written word or images by means of any mass medium without prior authorization, censure or impediment of any kind, under the responsibilities of the law."

The document also notes that crimes committed against the honor of third parties should be codified according to law and violators should be tried in common courts. It defines as a crime any action that aims at suspending or shutting down organs of expression or that prevents such organs from circulating freely. It also defends the right to establish new organs of the mass media.

Regarding workers' rights, the party will propose and demand the participation of workers in the administrative management as well as the profits of businesses, and upholds Nicaraguans' duty to serve in the military. Nevertheless, the conservatives claim in their document that a special law should set forth the military obligations that Nicaraguans have, and should regulate conscientious objection and other military service exemptions with all due guarantees.

In another firm demand, the PCD contends that "the president should not be reelected for the following term." It favors electing rather than appointing the mayor of Managua and mayors in other departments of the country, and advocates that the Army be apolitical. It proposes the establishment of a National Unity government in which the political parties and their most representative groups would be proportionally represented in the executive and legislative branches. Similarly, the PCD claims that the state should pay at least 75 percent of the expenses of political parties, and that the symbols of political parties should not be allowed to appear next to the national flag in public ceremonies, parades, or any official government function.

Dr Molina told LA PRENSA that if these and other demands are not included in the Constitution, the PCD, as the second-largest political force in Nicaragua, will oppose the signing of the Constitution and will invalidate the legitimacy of the revolutionary process. "I am certain that the Independent Liberal Party (PLI) would also refuse to sign a document as incomplete as the current draft constitution is," he asserted.

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NICARAGUA

BARRICADA UPHOLDS POLITICAL NATURE OF EPS

Managua BARRICADA in Spanish 6 Apr 86 p 3

[Editorial by Onofre Guevara L.; passages enclosed in slantlines printed in boldface]

[Text] The constitutional debates on radio and television, with the participation of the parties represented in the National Assembly, are fulfilling the duty to be honorable and also to appear honorable, to parody the popular saying. In other words, the democratic nature of the open discussion of the essential principles set forth in our Constitution is not just an intention, but something very real.

What is more, in the discussion of the diverse constitutional issues on television and radio, ideas are expounded freely--so freely that any politician can take the liberty of straying from the agreed-upon topic and elaborate on his party's programs. No one is preventing them from doing that, and it would be wrong to try to do so. Better that each person should run the risk of appearing disjointed, off course or "out of sync," than that the hosts should appear to "repress" the freedom of expression.

That is the way the democratic game was conceived for the constitutional discussion, and that is the way it is going. Nevertheless, after all these radio and television programs, it is time now to go beyond these discussions, especially those which in the name of freedom of opinion try to /undermine/ the basic principles of the Revolution. For understandable reasons, these attempts are not always exposed for what they are in the few minutes available on radio and television.

We will try to do that now. Let us begin with what was said by a Social Christian and a Communist on the program of Friday 4 April on SSTV, regarding the /partisan/ nature of the Sandinist Popular Army, its name /Sandinist,/ and the effort to turn it into something politically amorphous under the concept of a "national" army.

The Sandinist National Liberation Front (FSLN) would be wrong--very wrong--to base its right to organize, orient and lead the army of the Revolution solely on the fact that it led the insurrectional process as a political-military vanguard. Or on the "21 years of armed struggle against the dictatorship," as admitted by Allan Zambrana, one of the guests on the program.

But the FSLN has not made that mistake, nor will it. There are equally fundamental reasons for not doing so. These reasons include the following:

1) An army organizes to solve a vital problem for the Revolution: seizing political power. Once that problem is resolved, that army is institutionalized in accordance with the principles and political designs of those who led the people to armed triumph. Rather than idealistic, it would be /idiotic/ to pretend that anyone else who fulfilled that historic duty would have done differently. And rather than /idiotic,/ it would have been--and is--opportunistic to think that those who organized the popular army should refrain from giving it their revolutionary stamp, because that would be like expecting them to refrain from /carrying out the Revolution,/ consolidating and developing it.

2) The national character of the Army is not lost just because it is homogeneous in terms of orientation and command. The reason for this is that the accompaniment, support, participation and integration of the popular masses in the insurrection, and now in its defense (with whose representatives, workers, peasants, students and other sectors the Army was organized) was possible because they /identify/ with the /national/ and patriotic character of the FSLN Historic Program.

The people do not identify--and never did--with the program of any of the parties that are challenging Sandinist hegemony in all aspects of the Revolution. And now is not the time to demonstrate that this assertion is untrue; they could have done that 25 years ago, before the Sandinist Front emerged and occupied the position it did.

3) The first duty of a revolutionary army is to protect the achievements of the Revolution. In this way, an army established for this purpose can draw upon--as in fact ours is doing--the broad sectors of the revolutionary people whose interests give them a popular and national character. It would not be able to carry out its functions fully if it followed heterogeneous political criteria, much less with command cadres "from all parties." What would happen to an "apolitical," "neutral" or "non-partisan" army during a time of war--such as the present--with Liberal, Conservative, Social Christian, "Communist" and Socialist commanders? There would be no /unity/ in the orientation of tactics or in strategy; the political positions of each individual would be reflected. And we already know what their political positions are regarding the aggression, so we can imagine what would happen with a defense articulated in that way, "nationally and democratically": inefficacy in battle, vacillation in politics, and appeasement of the enemy.

4) A revolutionary army's purpose is to overcome resistance--in any form--by the class removed from power and its foreign allies, with the conviction and under the inspiration of the political vanguard of the process interested in carrying it out. Today's defense against the aggression, which is one of many forms of resistance by the exploiters and their allies, would not be as effective as it is if it had political elements that were inclined to appease

the enemy, fearful of him or in agreement with him. We would not have a revolutionary army, but an armed institution that fluctuated and vacillated according to the sectors or "national currents" that are now fluctuating and vacillating in the face of imperialist aggression.

The truly /national/ army is that which is guided by a proven and unwaveringly /anti-imperialist/ political vanguard. And that army is the Sandinist People's Army (EPS), whose name we will now explain.

Sandino used the term National Sovereignty Defense Army (EDSN) to label the patriotic forces comprised of peasants, workers and other popular sectors. And those who claim this should be the name of the EPS are apparently right, but /only apparently./ Essentially this is just another instance of political opportunism.

The title National Sovereignty Defense Army has a sacred place in the history of Nicaragua's liberation struggles, and naturally it deserves all due respect. When it became the ruling party, the FSLN paid the highest possible tribute to the EDSN and to Sandino by salvaging national sovereignty, which was its patriotic inspiration and its fundamental objective.

With the fatherland rescued and its independence and sovereignty embodied in the Revolution, the FSLN called our army the Sandinist People's Army in homage to the founder of the EDSN and Father of the Revolution, Augusto C. Sandino. This guarantees the continuity of the national and patriotic sentiments that identify /Sandinism,/ which epitomizes the essence of what is Nicaraguan; it honors Sandino and identifies his name with the most genuine aspects of Nicaraguan nationality.

The /Sandinist/ aspect of the Army includes all that; but the Sandinist People's Army also draws on its new experiences as the military wing of the /triumphant Revolution/ and its responsibility as the armed force of a new state. Its mission is not limited to defending the national sovereignty that it won. It must also guarantee progress in the social transformation of the country under circumstances that did not exist in 1927.

To take the name that Sandino gave his army of workers and peasants would be a more than well-deserved honor; but it would also represent a denial that the mission the EDSN set out to accomplish was ever achieved or projected beyond the defense of sovereignty. We have full sovereignty as a nation. Now it is a matter of not just defending it, but /maintaining/ it to guarantee the conquests we have made and /expand/ them.

To call our army /Sandinist/ is to take the spirit of the National Sovereignty Defense Army and adapt it to the new missions of the people's army. We owe our national sovereignty to Sandino, and it is he whom we must memorialize by giving his name to the army that defends Nicaragua and the Revolution under these new historical circumstances. The FSLN is the vanguard of the masses who are making the Revolution and who constitute the Army; it is up to the FSLN, then, to give that army a single /military leadership./ The Constitution should confirm that.

Anything else, anything that contradicts this fact, is political opportunism.

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LA PRENSA TO RECEIVE EAST BLOC SUPPLIES

Managua LA PRENSA in Spanish 3 Apr 86 p 8

[Text] Several major shipments of newsprint are being shipped to this country from the Soviet Union. It is hoped that this will alleviate the shortage of this raw material that is so critical to the printing of Nicaragua's newspapers.

Recently the ship "Vovoskfil" arrived in Corinto and unloaded 1,000 tons of paper along with other goods.

As a result, the newspapers will be authorized to publish 68 pages a week, instead of the current limit of 36 pages a week.

The ship "Ana Pavlova," flying the Russian flag, is also en route to Nicaragua, it was reported. It is supposed to be bringing 5,000 tons of newsprint, and is scheduled to arrive on 5 May.

Small printing firms, graphics shops and typesetting businesses will receive a special shipment of 4,500 tons of bond paper, newsprint, and manifold and copy paper.

In addition, 2,000 tons of newsprint will be imported from Western countries, which will definitely solve the newsprint problem, at least for 1986.

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NICARAGUA

BRIEFS

CUBAN 'PROFESSORS' ARRIVE--Within the context of the support the brotherly Cuban people have been providing to us, a group of professors who will teach classes in higher education at the National Autonomous University of Nicaragua will arrive in our country shortly. These professors, who will work in our country for 10 months, will teach students in the departments of the UNAN and will give postgraduate courses for teachers at the University to improve their practical skills. A number of them will work in scientific fields, according to Abel Garache Castellon, the director of international relations and publicity at the UNAN, Managua center. He added that "This will serve to meet needs we have in the higher educational field, since these teachers will provide our students and professors with new knowledge. Of this contingent, 17 specialists in various sectors, with a high level of academic and pedagogical training, will be assigned to the Managua center." Garache said that within the context of the agreements signed in the educational field with various countries, the UNAN will have approximately 80 visiting professors during the 1986 school year. He also said that these teachers will come from Holland, France, the FRG, Mexico, the USSR, the FRG, the United States and Italy. [Text] [Managua EL NUEVO DIARIO in Spanish 2 Apr 86 p 2] 5157

CSO: 3248/351

ARTICLE CONDEMNS U.S. RAID ON LIBYA

PY161407 Asuncion HOY in Spanish 16 Apr 86 p 2

[Article entitled "Repudiating Barbarism" by Humberto Dominguez Dibb]

[Text] Citizens were astonished yesterday morning. With the specialist skills of a criminal organization, perfectly aware of its sinister task, a nation has proclaimed its treacherous terrorist inclination--and the victim is an Arab nation, the great Libyan Arab people.

This event cannot go unnoticed and shows the need to strengthen human values in the face of the criminal instincts of the regressive U.S. imperialist forces.

The honest citizens of the country demand the adoption of a clear and well defined position. If we are the children of world civilization, then it is only natural that we join the side of the victims and strongly condemn those who try to undermine the basic principles of civilization.

Therefore, we believe that it is absolutely necessary to have a world proclamation emphatically repudiating the U.S. aggression independent of any appreciation regarding the reasons for the cowardly attack. For those of us who are of Arab descent and who live under the protection of this land of peace and love, the U.S. attack goes against the principles of civilization and is the highest expression of cowardice. --Take Lebanon for Example.

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CSO: 3348/538

PARAGUAY

ROMERO ARZA REACTS TO STROESSNER'S CRITICISM

PY132258 Asuncion EL DIARIO in Spanish 13 Apr 86 p 14

[Text] "In any democratic system the citizens have the right to criticize and the opportunity to disagree. If somebody says that I am an opponent or a deserter, that person is exercising a right, the same right that I, as a citizen, have to believe that those who accuse me are wrong," said Carlos Romero Arza, who was asked whether he believed he is a deserter from the Colorado Party.

Romero Arza, a member of the Colorado Party Executive Board and of the Council of State, was one of the people that President Stroessner has accused of being a deserter from the Colorado Party. To this Romero Arza replied that "in a democratic system, everyone has the right to an opinion, I have mine and others will have theirs. However, no one can presume to the absolute owner of the truth."

He went on to say that "the right thing to do would be to define opposition and desertion. A deserter is the person who leaves the field of battle and an opponent is someone who disagrees with something. In politics, an opponent is the person who is against a given party."

Speaking about the role which political parties must play, Romero Arza said: "In the political organization of a state, the government does not, in fact, epitomize the state. However, the government comprises the political parties which in any democracy are supposed to participate in the government structure."

He went on to say that "in this particular case the Colorado Party supports the government but it cannot be considered to be the government party because then we would make them one and the same, which smacks of totalitarianism."

He added: "I would like to say that the Colorado Party has been democratic from its very beginning in 1887, which means that its main guideline is that there should be dialogue and disagreement as well as agreement. Therefore, I believe that in a great and powerful country like ours, criticism and disagreement are essential as long as they are well-intentioned, as was my speech in Coronel Oviedo and Dr Seifart's in Loma Grance, which was truly brilliant."

Romero Arza emphasized that "what we did was to point out unusual and perhaps wrong actions that are taking place, especially within the realm of economic affairs. We have done so, we do so, and will continue to do it because as long as we belong to a democratic party it would be meaningless to go against our conscience, which is telling us that some things are wrong. To some extent we are the conscience of the people."

He pointed out: "All one has to do is go out on the streets to hear about economic problems, the problems that have to do with certain policies which seem wrong to us. Specific cases of this are the shortage of sugar, the purchase of foreign currency at preferential rates, and if these things keep happening it means that nothing has improved."

He went on to say that "the administration must be cleansed so that the Colorado Party can continue to be a valid option for government because otherwise, things might get worse and the party could lose the popularity it now has."

Finally Romero Arza said that he is not afraid of being judged by his peers, "only the weak are afraid."

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CSO: 3348/539

GOVERNMENT REFUSES TO AUTHORIZE RALLY

PY121853 Asuncion ULTIMA HORA in Spanish 11 Apr 86 p 10

[Excerpts] The Interior Ministry has denied a request submitted by Radical Liberal Party [PLR] lawmakers seeking permission to hold a rally on 13 April in San Jose de los Arroyos. PLR deputy Blas Mangabeira criticized the decision banning the rally, which is sponsored by a PLRA [Authentic Radical Liberal Party] movement.

Through a verbal communication, the Interior Ministry secretary this morning notified Mangabeira of the ministry's decision.

"This is further evidence of the totalitarian nature of the government, which impedes a peaceful peasant meeting in a place where the state of siege is not in force. We were even thinking of holding the rally in a private house," Mangabeira stressed.

He added: "This is an unconstitutional measure, because it violates Article 76. This is tangible proof that the doors to democracy remain closed. We are still submitted to arbitrariness and we are stoically suffering the violation of all of our rights. We live in this 'oasis of peace' where the leadership has once again threatened to put the frightful urban hordes [Colorado Party militia that acted as night street patrol during 1947 civil war] to work. Such is the government's democracy."

Mangabeira notified PLRA leader, Dr Miguel Abdon Saguier, of the ministry's decision and by the time this issue was in print they were holding an emergency meeting to make a decision on the subject.

"It is noteworthy that the opinion of the representatives of the people has been disregarded. They are making a mockery even of the right to engage in a dialogue with peasants," he concluded.

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CSO: 3348/539

RELATIVES OF MISSING PERSONS ISSUES COMMUNIQUE

PY111316 Paris AFP in Spanish 1604 GMT 10 Apr 86

[Text] Asuncion, 10 April (AFP)--The permanent Commission of Relatives of Missing and Murdered Persons (CPFDA) today called for the release of persons missing after their arrest and for the punishment of those responsible. Thus, the CPFDA commemorated the sixth anniversary of the murder of Blas Rodas Rojas, the founding member of the Paraguayan Peasant Movement (MCP).

In a communique, the CPFDA recalled that Rodas Rojas was killed by repressive organizations of the military dictatorship in Pirareta, Cordillera Department, in April 1980.

The communique added that the tragic crime, which at the time shocked the public, remains unpunished and that the relatives and collegues of the deceased are still waiting for the authorities to do something so as to punish those responsible for this insane and savage crime.

The CPFDA went on to say that, born from the bodies of the true leaders and militants of our people, this organization has the [word illegible] duty to uphold the virtues and honor of each one of the martyrs and to demand that justice be done and that the henchmen and paid criminals be punished.

The organization, which demanded that the repressive laws be abrogated and that the repressive agencies be dismantled, believes that approximately 40 people have been murdered or are missing in Paraguay.

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CSO: 3348/541

LIST OF CASUALTIES FROM THWARTED POLITICAL RALLY

PY132330 Asuncion Radio Nanduti in Spanish 2249 GMT 13 Apr 86

[Text] The thwarted political rally that was supposed to take place in San Jose de los Arroyos has left its results. According to the latest information received, here is a list of people arrested and missing. The following people are being held at the investigative police department in Asuncion: Harmes Rafael and Juan Massi Guggiari.

Meanwhile, Engineer Franklin (Bochsia), Anibal Gimenez, and Gabino Lopez are missing. Ramon Alderete, Ignacio Barbosa and one of his sons, Jose Acuna, Fidencio Llamas, [no first name] Estigarribia, arrested in San Jose de los Arroyos, and Miguel Abdon Saguier, are being held at the headquarters of the government representative of Cordillers Department. The following people have been injured and received a medical certificate from the first aid ward of the University Hospital: Severiano Gonzalez, Herminio Delgado Torres, Jose Luis Saldivar, Sediciano Saucedo, Julio Cesar Franco, Herminio Ruiz Diaz, all of them were hurt during the march in Caacupe.

Meanwhile, Sigfrido Galeano, Juan Manuel Galeano, Pedro Rodriquez, and Petronilo Noquera were injured in San Jose de los Arroyos. Fidencio Llamas was seen while being brutally beaten in front of the police station in Colonias Unidas and Jose Acuna, Ignacio Barbosa and his two sons were kidnapped at their residences. Lawyer Julio Cesar Vasconcellos just reported that Enrique Riera, a member of the Colorado Popular Movement [Mopoco] has been under arrest in Itacurubi de la Cordillera since 1400 this afternoon.

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CSO: 3348/539

OPPOSITION LEADERS ARRESTED IN CLASHES WITH POLICE, ARMY

PA131818 Hamburg DPA in Spanish 1712 GMT 13 Apr 86

[Text] Asuncion, 13 April (DPA)--[words indistinct] opposition leaders were wounded and arrested in clashes with combined forces of the Army and the Police Department which prevented the holding of a rally that was planned by the Authentic Radical Liberal Party for today.

The security agents blocked the entrances to the city of San Jose de Los Arroyos, approximately 100 km from Asuncion, where the rally was to be held.

A caravan of demonstrators in cars and buses was blocked at approximately 45 km from Asuncion, whereupon the demonstrators decided to continue on foot to Caacupe, 10 km from the place where they were stopped, to meet in the main esplanade of the Mariano Paraguayo Sanctuary to express their support for the national dialogue promoted by the Catholic Church.

However, the demonstrators were stopped by a contingent of police army and highway patrol police forces, before they got to Caacupe.

According to eyewitnesses, Miguel Abdon Saguier, the main organizer of the demonstration, was brutally beaten and then thrown into a van that took him to Caacupe under arrest.

Some demonstrators also received cuts and bruises and were taken to nearby health centers. Other leaders were arrested in San Jose de Los Arroyos and in nearby cities.

Meanwhile, approximately 200 civilians of the ruling Colorado Party arrived in chartered buses in San Jose, presumably prepared to attack the opposition demonstration if it took place.

Since the members of the opposition were not allowed in San Jose, the members of the Colorado Party marched in the streets of San Jose cheering the party and President Alfredo Stroessner.

Parliamentarians of the Authentic Radical Liberal Party in San Jose repudiated what they described as an attack on the right of assembly in a part of the country where the state of siege is not in effect, and blamed President Stroessner for the incidents.

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CSO: 3348/539

FEBRERISTA PARTY MEMBERS DETAINED FOR QUESTIONING

PY241526 Asuncion Radio Prumero de Marzo in Spanish 1335 GMT 24 Apr 86

[Telephone interview with Oscar Acuna Torres, vice president of the Febrerista Revolutionary Party, PRF, by Christian Nielsen]

[Excerpt] [Nielsen] Mr Acuna, it was reported this morning that PRF Youth Secretary Diana Banuelos and Graciela Araujo from the [word indistinct] were arrested...

[Acuna, interrupting] Yes, last night, together with colleagues Dure and Raquel Rojas, we decided to closely watch the case of Diana Banuelos. We were with her until midnight. When she was transferred from the Police Investigations Department to the 12th precinct policy station in Trinidad.

We brought her clothes and food and remained in contact with her at the Investigations Department.

I want to say that we condemn and repudiate this new outrage against human rights. Our colleagues, who are struggling for the emancipation of our country, have been detained unjustly.

[Nielsen] Under what charges were they arrested?

[Acuna] No charges were made. We were simply told that they are being held for questioning, according to the Investigations Department. [passage omitted]

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CSO: 3348/538

POLICE TEARGAS STUDENTS IN DOWNTOWN ASUNCION

PY241923 Asuncion ULTIMA HORA in Spanish 24 Apr 86 p 9

[Text] Several incidents occurred in downtown Asuncion at 1100 this morning. Police charged national University Law School students and people in general, who had gathered to watch an impromptu demonstration on Palma Street between Alberdi and 15 de Agosto Streets. The students began to arrive in groups. Then they displayed signs with slogans condemning outrages and expressing the solidarity of the law students with the workers of the Hospital de Clinicas.

The demonstrators sang "Beloved Fatherland" and the national anthem until police arrived and used a tear-gas bomb in an attempt to break up the crowd estimated at 1,000.

A student who was making a speech was roughly taken to a police vehicle, and other youths may have been arrested later. The policemen violently wrenched away the flags that some of the demonstrators were carrying and tore them to pieces. It is worth reporting that since early this morning, traffic was halted on Palma Street several blocks from the School of Law. As time went by, even pedestrians were not allowed into the downtown area between Independencia Nacional and Colon Streets. The events occurred in an atmosphere of severe tension.

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CSO: 3348/538

DOCTORS DETAINED, DEMONSTRATION BANNED

PY240135 Asuncion Radio Primero de Marzo in Spanish 2230 GMT 23 Apr 86

[Text] It was reported this afternoon that Dr Juan Masi Guggiari of the Authentic Radical Liberal Party was detained by the police at the Italian Hospital.

Doctors have reported that Dr Anibal Cerrillo Iramain and Dr Ursino Barrios were also detained.

In a communique released this afternoon, the Public Relations Department of the Asuncion Police announces that the demonstration announced by doctors, students, and workers of the Clinics Hospital for 24 April has not been authorized and will not be permitted.

The police communique states that the march from the Clinics Hospital to the Finance Ministry slated for tomorrow will not be permitted because it is designed to use violence against constitutional officials.

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CSO: 3348/538

INFORMATION UNDER SECRETARY REACTS TO EDITORIAL

PY091501 Asuncion PATRIA in Spanish 9 Apr 86 p 13

[Letter from Anibal Fernandez, Paraguayan Presidential Under Secretary for Information and Culture to Maximo Gainza, director of Buenos Aires newspaper LA PRENSA--no date supplied]

[Text] I would like to protest most strongly against the spiteful editorial published in your newspaper under the title of "A Message Plagued with Fallacies," on 7 April. This malicious editorial, displaying absolute ignorance about our status quo makes reckless charges regarding the message to Congress with which His Excellency the President of the Nation, Army General Alfredo Stroessner opened the legislative year on 1 April 1986.

Although LA PRENSA may find it painful, there is democracy in Paraguay. We have a peaceful and orderly democracy upheld and staunchly defended by President Stroessner's legitimate constitutional government. The entire Paraguayan people and not just the million or so Colorado Party members made possible the landslide election victory which made President Stroessner the undisputed chief of state of Paraguay in 1983.

The deplorable editorial in question is utterly false and your newspaper--obviously adverse to anything that has to do with Paraguay, our history and our glory--which continues spouting evil against our country, is mistaken if it believes that the mountain of lies that plague your editorial can change the course of history.

Deeply outraged, I demand from your newspaper, Mr Director, the respect and admiration that Paraguay deserves--irrespective of what anyone may think--from all the people who want to see democracy, freedom, and justice defended through law and order.

President Stroessner's Colorado administration will not yield an inch in its staunch and inalienable defense of the democracy--free of communism--that we practice. If anyone tries to cast stones on our path, we shall place mountains in theirs, so as to continue enjoying the privilege of being children of a free, independent, sovereign and glorious fatherland that does not bow to anyone.

I also demand the right to reply on the grounds that LA PRENSA has gratuitously and offensively addressed our illustrious chief of state and his virile stance in his message to congress.

/7051
CSO: 3348/541

POLICE PREVENT SEMINAR ON 'INVESTIGATIVE JOURNALISM'

PY241838 Asuncion HOY in Spanish 24 Apr 86 p 6

[Text] Last night the police prevented the seminar on "Basic Principles of Investigative Journalism," which was to be held at the Union Club, from taking place. The seminar was sponsored by the Paraguayan Association of Journalists [SPP] within the framework of Journalists Week.

SPP Secretary General Jose Meaurio said that when he arrived at the club, he found police officer Cantero and other policemen, who told him that the seminar had been banned. At his insistence, they told him that it was due to "orders from above." However, a meeting of the Association of Secretaries was taking place inside the club. The seminar will continue at 1900 today at 835 San Carlos Street.

/7051
CSO: 3348/538

BRIEFS

NEW COLORADO PARTY PUBLICATION--The University Students Center of the Colorado Party has announced the publication of the magazine PYNANDI. [Summary] [Asuncion HOY in Spanish 3 Apr 86 p 12 PY] /7051

CSO: 3348/541

SAN MARCOS CUTS ADMINISTRATIVE STAFF

Lima EL COMERCIO in Spanish 14 Mar 86 p A-10

[Interview with Dr Antonio Cornejo Polar, rector of San Marcos University; date and place not specified; first paragraph is EL COMERCIO introduction]

[Text] San Marcos is ready for a new opportunity, according to its rector, Dr Antonio Cornejo Polar. In an interview with EL COMERCIO, he said: "We are ready for change but it will be impossible without a budget increase of 140 million intis." Some 15 days ago, the San Marcos plenum expressed its support for the rector facing his imminent resignation. He stated that the reorganization seeks to regain lost academic rigor. He announced the dismissal of 150 heads in the central administration and the reassignment of 20 percent of its administrative personnel. He said that there will only be 50 heads.

[Question] What has developed after the show of support for your administration and the refusal to accept your resignation?

[Answer] Well, we are experiencing a really encouraging climate of renewal and transformation compared to the apathy that hindered progress at San Marcos. There is a desire to cooperate now despite ideological or political differences.

[Question] Concretely, what measures have been agreed on to get San Marcos going again?

[Answer] First of all, they concern the reorganization of the administrative system. A resolution was already issued to dismiss the Second Level-Central Administration heads from their positions and call for a competition.

[Question] How many people have been dismissed?

[Answer] We have drawn up a much simpler organizational chart with fewer heads. There were 200 before and now there will not be more than 60, guaranteeing labor stability since they will be reassigned where suitable.

They can also participate in the competition to fill the 50 seats that will open in April.

[Question] Does the decentralization only cover these heads?

[Answer] No. I must say that the new organizational chart provides that a still not established number of administrative personnel from the central administration--about 20 percent--will go to the schools.

[Question] What other action will be taken within the administration?

[Answer] The process also involves decentralization of the budget. It was central but will now be by schools. Also we are beginning a policy so that the resources that each school generates will go to them. This seems fair to us and strengthens the schools.

Also, as our budget is cut, the budgets assigned to each school will be equally cut.

[Question] When will this plan of school autonomy begin?

[Answer] We drew up the first plan yesterday. It will be approved on Wednesday and go into effect immediately.

[Question] Speaking of budget, was its expansion authorized yet?

[Answer] Look, we are negotiating with the Ministry of Economy. We have requested 140 million intis which has been approved by the standing committee of Congress. However, it cannot authorize expenses, only make recommendations to the Ministry of Economy.

[Question] What is the deadline for this decision?

[Answer] They have told us that they will give us a final answer before the end of the month.

[Question] Have the problems of recent months influenced the next admissions examinations?

[Answer] They will be held but unfortunately not in March as we had planned but between 4 and 11 May. Registration will begin on 1 April.

[Question] What academic aspects does the reorganization involve?

[Answer] We are preparing a visitation program so that the rector and an advisory team can visit all the schools in order to stimulate each school to make a diagnosis of its academic situation, improve the workshops on curriculum reform, and generate its own development plan.

7717
CSO: 3348/500

PERU

CIVIL GUARD OFFICERS IMPLICATED IN SMUGGLING

Lima EL NACIONAL in Spanish 31 Mar 86 p 10

[Text] Top GC [Civil Guard] officers might be implicated in systematic smuggling of electrical appliances from Chile, according to Henry Rondinel Cornejo, the Tacna deputy. He revealed that a shipment valued at 500,000 intis was discovered yesterday in Camiara. It was in a truck transporting dynamite to Lima.

The truck with license plates WK 1103 owned by Quimica Sol, a company that produces dynamite, was driven by Gilberto Vizcarra. It was guarded by GC Corporal Jose Montenegro and GC Julio Arancibia and was following the Las Yaras (Tacna)-Lima route.

After a thorough search in Camiara by Customs Captain Jose Echevarria and a struggle with the GC, it was verified that the vehicle not only carried 10 cases of dynamite but also television equipment including television sets, Betamax equipment, sound amplifying equipment (minicomponents), film, and cases of imported whiskey.

Deputy Rondinel Cornejo said with satisfaction: "This discovery is no coincidence. For several months, I have been denouncing corruption in the top commands of the GC. They use vehicles owned by Quimica Sol for these ignoble purposes. Fortunately, a proven and irrefutable deed has come to light."

Stating that he has more than enough proof of participation by the officers, the Tacna deputy said: "I ask as would any common citizen: How many GC subordinates have been used by the top commands to perpetrate these deeds?"

7717
CSO: 3348/500

NEW INTERNATIONAL AIRPORT SOUGHT IN ORCOTUNA DISTRICT

Lima EL COMERCIO in Spanish 23 Mar 86 p A-4

[Text] Huancayo, 22 Mar--Construction of an alternate international airport in the Orcotuna district is being negotiated by the authorities and political organizations in that department.

The executive board of the organization created for this purpose agreed to request joint coordination between the representatives of the district and the Junin Departmental Development Corporation.

Law Authorized Construction

The source stated that the peasant community of Orcotuna has donated the necessary land for this airport.

It was also announced that the construction of an international airport, an alternate for Lima, has been authorized by law in order to decentralize services and help develop the zone where it is located.

It was explained that the central government recommended Junin as the best department for this project and the Mantaro Valley as the best alternative.

Incentive for Development

The district of Orcotuna, through its representatives and organizations, requests that the project be built in the pampas there which are suited for this purpose.

Finally, they reported that Orcotuna is a thriving district and one of future development. This installation would be the necessary incentive to achieve those objectives.

7717
CSO: 3348/500

PERU

RICE PRODUCTION, CONSUMPTION, COST FIGURES GIVEN

Lima EL COMERCIO in Spanish 23 Mar 86 p F-16

[Text] Editor's Note: This year, different from previous years, we will eat imported rice because of the drought that affected the northern valleys, traditionally used to grow rice, a staple on the family table. Few know the difficulties involved in order to have rice in the daily diet. A summary of an article by the BCR [Central Reserve Bank] will help familiarize us.

The main conclusions of a study on rice between 1979 and 1984 by the BCR published in the review of October 1985 are: constantly increasing rice production, a growing demand for this cereal due to improvement of its price compared to other products, and a marketing system under ECASA [Rice Marketing Enterprise] characterized by shortages.

According to the analysis, rice production improved after the problems caused by the drought were solved by improved climate conditions and more water.

It also improved due to revitalization of the national rice program, no longer limited to research but also promotion of the crop and expansion of the area planted.

Another factor that helped the rice sector was the price policy for the producer, differentiated by region. It gave incentives for production in the jungle and increased the profitability of rice with respect to other products like cotton whose international price went down during this period.

The demand for rice increased due to an improvement in the relative price for the consumer compared to other basic food products. It also benefited from a continued subsidy. It is now the only food product that enjoys this benefit.

Also, as is known, the marketing system under ECASA has had certain problems with supervision of the transportation of rice from the mills to the ECASA storage centers and also with the financing mechanisms. There have been certain discrepancies in payments to the producers.

Farm Credit Distribution in 1979 and 1983 (in percent)

Product	1979	1983
Rice	28.5	46.0
Cotton	33.6	18.4
Potatoes	7.9	11.8
Coffee	8.0	6.1
Corn	4.6	3.0
Other	17.4	14.7

Production: Growing Trend

The production of whole rice increased 102 percent between 1979 and 1984.

However, only in 1981 after overcoming the problems caused by the drought of 1979 and 1980 was there a significant recovery in rice production. It increased about 69 percent, reaching more than 700,000 metric tons for the first time.

This level was maintained for the next 2 years, rising slightly until 1984 when there was a notable increase of 42 percent with a production record of 1,134,000 metric tons.

The increased rice production during the period studied was possible through the joint action of two factors:

1. An additional 10,000 hectares planted, 60 percent on the coast and the rest in the jungle; and

2. An increase in productivity which went from the national average of 4.3 metric tons to 4.6 metric tons per hectare. The jungle had the highest percentage of increase in yield since it went from 2.8 metric tons per hectare in 1979 to 3.2 metric tons per hectare in 1984.

Consumption: More Rice Eaten

According to preliminary information from the Committee of Rice Producers, the annual per-capita consumption of rice went from 24 kilos in 1979 to 32 kilos in 1984. In other words, it increased 33 percent while national per-capita income went down more than 12 percent.

The domestic demand for hulled rice is estimated at about 650,000 tons.

In 1983, the demand totaled about 590,000 metric tons. This caused a shortage of approximately 52,000 metric tons which was more than covered by importing 116,000 metric tons.

It is estimated that there was a surplus of 124 metric tons in 1984 if the real demand was about 650,000 metric tons, according to the committee. Nevertheless, 27,000 tons were imported.

This apparent inconsistency is caused by the need to supply rice to the country throughout the year even though it is a seasonal crop.

The harvests in the valley or the region follow what is known as the Gauss harvest. They begin with small volumes until they reach a maximum and then go down progressively until exhausted, a process that lasts from 4 to 5 months.

Price Policy: Need for Balance

The price of whole rice is an official price set by the Ministry of Economy and Finance. The objective is for the farmer to receive a fair payment for his product to cover the financial expenses he incurs.

One of the characteristics of the price policy is differentiation. More is paid for whole rice from the jungle in order to give incentives for production in that region.

There has been a price differential of more than 10 percent which has helped increase the jungle area planted.

As to consumer prices, the price of ordinary rice which represents about 80 percent of the total consumption is still controlled. The prices of other types of rice such as family, superior, and extra are set by ECASA. It tries to compensate for the loss generated by the first.

Production Costs: Went Up

An analysis of the cost structure reveals the growing participation of indirect expenses (administrative and financial) in setting the price for the producer.

Another important factor is the high participation of manpower, about 35 percent of the total cost. It is used for tasks ranging from adaptation of the land to harvesting, going through preparation of the nursery, planting, irrigation, fertilization, and other intermediate activities.

Marketing: ECASA Does Not Fulfill Duty

In theory, the state's proposal when it took over the marketing of rice was to supply the consumer with the necessary amount at the time needed and to give incentives to production, guaranteeing purchase of the crop at a fair price.

However, in practice, this plan did not work. The following problems arose:

First of all, delayed payment to the farmers (4 or 5 months in some cases) made the normal production process difficult and artificially expensive.

The establishment of a single price for whole rice discourages quality since the price is independent of the variety of rice.

A large number of millers, with the agreement of minor ECASA officials, impose severe punishments for moisture or impurities and decrease the coefficient of transformation into hulled rice.

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CSO: 3348/500

PERU

ABUNDANCE OF FISH ATTRACTS FOREIGN FISHERMEN

Lima EL COMERCIO in Spanish 1 Apr 86 p A-8

[Article by Ernesto Sanchez Sarmiento, special correspondent]

[Text] Chimbote, 31 Mar--The Peruvian sea is considered one of the richest in the world. In a relatively narrow strip 50 to 100 miles wide, there are more than 700 species that attract fishermen from all latitudes.

A large number of foreign fishing ships--Soviet, Cuban, Polish, etc.--fish night and day in Peruvian territorial waters. They use powerful trawlers that form a colossal trap with their gigantic nets, catching every type of fish several fathoms deep.

According to weather-beaten fishermen and experienced shipowners at this port, it is inconceivable that Peru has an immense sea filled with hydrobiological resources and yet has so few fish at the family table. The people are almost prevented from eating properly.

Background

Officials at PESCAPERU [State Fishmeal and Fish Oil Production Agency] Regional Zone No. 1 recalled that our territorial sea suffered from migration of the main pelagic species (so called because they feed on plankton) due to the El Nino phenomenon between 1982 and 1983. A return to normalcy began in August 1983 when the common species returned.

The biologists at IMARPE [Sea Institute of Peru] indicate that, since September 1984, the Peruvian sea has experienced an accelerated recovery of the microorganisms that form the first biological links, favoring continual reproduction of the different plankton species and, consequently, recovery of the pelagic species.

The presence of anchovies in industrial quantities made it possible to lift the ban along the coast in July 1985. It must be recalled that IMARPE, in its Bic SNP-1 cruise in May 1985, evaluated pelagic resources along our coast to 90 miles off the coast. It recorded a biomass of 6.2 million metric tons of anchovy and 2.7 million metric tons of sardines, saurel, and mackerel.

Between 1983 and 1984, the sardine was used industrially for fishmeal and canned fish while the saurel and the mackerel were used for direct human consumption. However, according to existing statistics, the quota for that period was not caught.

It should be pointed out that the anchovy lives along the coasts of Peru and Chile. On our coast, the major concentrations are between 7 and 14 degrees south, decreasing gradually to the south. Its distribution reaches 120 miles off the coast and it is mainly caught within 150 miles.

About 97 percent of the anchovies are between 13.5 and 17.5 centimeters longitude. The best concentrations are from Pisco to Punta Falsa. They are found in greatest volume from Chimbote to Callao, Cerro Azul to Pisco, and Punta Falsa to Chimbote.

The best concentrations of sardines are located north of Callao within 60 miles of the coast.

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END

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Latin America Report

FBIS FOREIGN BROADCAST INFORMATION SERVICE

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INTER-AMERICAN AFFAIRS

CARIBBEAN PROGRESSIVES IN CNM ISSUE STATEMENT

Castries CRUSADER in English 12 Apr 86 pp 1, 11

[Text]

At a Press Conference held at the Regency Cove Hotel in Barbados on Thursday April 10th a group of Caribbean Progressives forming the nucleus of the Caribbean National Movement made a spirited call for One Caribbean Nation. The main speakers at the Press Conference were Mr. Tim Hector Chairman of the Antigua Caribbean Liberation Movement, Mr. George Odlum, Party Leader of the Progressive Labour Party of St. Lucia and Hon. Rosie Douglas of the Dominica Labour Party.

The CNM also denounced a document recently published by the Propaganda machine of the Reagan Administration which tried to identify the CNM as a Terrorist Organisation sponsored by Libya. Mr. Hector said " this constitutes a deliberate and malicious attempt to project the CNM as somesort of clandestine organistion found to destabilise regional governments.

The following Press Release was made available to the media at the end of the Press Conference.

CARIBBEAN NATIONAL MOVE

The Caribbean National Movement is committed to working towards the achievement of the realisation of one Caribbean Nation encompassing all the territories of the Caribbean including the English, Dutch, French and Spanish speaking areas.

The organisation now five (5) years in existence firmly believes that the all round development of the region can be achieved only within the framework of regional economic and political unity.

This unity of the region can allow for differences in social systems but must be based upon respect for regional sovereignty and territorial integrity; uphold the ideal of ideological pluralism; pursue fundamental social reforms; be committed to meeting the essential needs of the Caribbean people, strictly advance a non aligned foreign policy and work deligently towards the urgent realisation of the Caribbean as a Zone of Peace.

The recent document published by the propaganda machine of the Reagan administration endeavouring to identify the CNM as a terrorist organisation sponsored by Libya constitutes a deliberate and malicious attempt to project the CNM as some sort of clandestine organisation found to destabilise regional governments.

We wish today to categorically denounce this vicious attack which is totally without foundation. But further, in light of this attack the CNM has decided it is now necessary to openly discuss and present its programme to the Caribbean people for critical examination and discussion.

At a time when further joint military exercises are being planned in the region by Reagan and his Caribbean Democratic Union Allies even in the face of growing economic problems, we are obliged to present our Alternative Developmental Strategies to the Caribbean people.

Consequently, we shall convene a First Caribbean Popular Congress of the Caribbean Nation in June this year in the Caribbean. All member parties of the CNM will participate with delegations, including workers, small farmers, patriotic businessmen, youth, women and other working sectors Debate at the sessions will be opened and democratic.

As a preliminary to this Congress the Caribbean Women Movement will meet to prepare their resolutions for the Main Congress now scheduled to be held at the end of June.

Academics, professionals, Trade Union leaders and other resource people will be invited to present papers and to participate in the Congress out of which will come a comprehensive programme for the attainment and development of the Caribbean Nation.

All regional agencies, including those of the United Nations and governments will be invited to send observers. Each member party will be responsible for raising finance to ensure the success of the Congress. Non Government Organisations, Trade Unions and prominent personalities will all be approached to contribute materially towards the success of this Congress.

/9274
CSO: 3298/419

INTER-AMERICAN AFFAIRS

JAMAICAN TRADE MISSION IN TRINIDAD URGES JOINT VENTURES

Port-of-Spain TRINIDAD GUARDIAN in English 18 Apr 86 p 3

[Text] A 13-member Jamaican trade mission has identified the manufacture of garments and furniture as two possible areas for co-operation between Trinidad and Tobago and Jamaica.

The mission, led by Claude Clarke, arrived on Monday and held talks with the Ministry of Industry and Commerce, the Export Development Corporation and the private sector. It left on Wednesday morning.

Mr Clarke said the Export Corporations of both countries discussed the feasibility of producing jointly furniture and garments for export.

Jamaica, he said, was good at carving while Trinidad and Tobago excelled in upholstery. It was also felt that the Caribbean could produce goods and have them finished in Puerto Rico.

There has been a pilot project since 1985 where a Jamaican manufacturer shipped component parts to be upholstered in Trinidad.

Trinidad Styles

Mr Clarke said garment production was suggested as another area for co-operation. Jamaica, he added, produced the finest cotton in the world which could be combined with this country's excellent styling. The product could then be shipped for stitching in Jamaica and sold in Caricom.

Mr Clarke said Jamaica felt overall that much had happened to improve trade between both countries since Trinidad and Tobago agreed to bi-lateral trade. The mission was satisfied with talks though it would have preferred the removal of non-tariff barriers.

Still, Mr Clarke said, Jamaica fully understood Trinidad and Tobago's economic position and the reasons for its licence regime. He felt that this country should treat Caricom as a priority in granting those licences.

In addition, Mr Clarke asked the Central Bank to introduce measures that would prevent importers from using EC-O approval granted for Caricom on the international market.

Following devaluation, Trinidad and Tobago goods have become more competitive on the Jamaica market, Mr Clarke noted. The Trinidad and Tobago Manufacturers' Association recognised this and Jamaica invited the TTMA to send representatives to investigate the market.

The TTMA has accepted the invitation and a date will be announced soon for the visit.

Mr Clarke also felt that sugar production had become more competitive in Jamaica with the recent sugar rebate. Sugar products were left out of bi-lateral agreements because Jamaica felt it would be adversely affected.

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CSO: 3298/419

INTER-AMERICAN AFFAIRS

WINDWARD ISLANDS REGISTER GAINS IN BANANA EXPORTS

FL241614 Bridgetown CANA in English 1401 GMT 24 Apr 86

[Text] Roseau, 24 Apr (CANA)--Banana production in the Windward Islands has increased by 54 percent over the last four years, chairman of the Windward Islands Banana Association (WINBAN) Vanoulst Charles has said.

Charles told banana industry officials here 162,000 tons were produced by the four islands last year compared to 104,900 in 1982, as production increased by an average 15 percent every year.

He said that during the period the Windward's share of the UK market increased from 30 percent to 50 percent, while the issue of licences to other fruit importers in the UK had been scaled down.

WINBAN's share of the market price also increased from 53.3 percent to 61 percent during that period, largely due to improvements in the contractual arrangements, according to Charles.

But the WINBAN chairman feared that although the UK market was now absorbing all Windward fruit, the high anticipated production increase projected for this year might pose acute marketing problems during the winter period from mid-November to January. The islands' banana exports were now exceeding the apacity of the ships assigned to the Windwards by the Geest Company, which buys from the region.

Charles said the potential transportation problem was alleviated by charters, and efforts were being by the company to replace the operating ships with larger ones. [as received]

He also reported that a revised agreement with Geest had resulted in an additional seven pounds per ton accruing to WINBAN with effect from the start of this month.

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CSO: 3298/419

BRIEFS

COMPTON IN ST VINCENT--St Lucia's Prime Minister John Compton was in the State over the last weekend. Prime Minister Compton spent the weekend in Bequia as guest of Prime Minister James Mitchell. Both Prime Ministers officiated at the prize giving ceremony which marked the end of the 1986 Bequia Regatta. During his visit Prime Minister Compton and Prime Minister Mitchell held discussions on matters of common interest. [Text] [Kingstown NEW TIMES in English 3 Apr 86 p 2] /9274

CSO: 3298/419

ARGENTINA

MUTUAL ADVANTAGES IN ARGENTINE-BRAZILIAN AGREEMENT CITED

Buenos Aires AEROESPACIO in Spanish and English Mar-Apr 86 pp 20-24

[Article printed in English by Luis A. Terencio]

[Text]

When AEROESPACIO asked Eng. Ozires Silva, Embraer President, his opinion about the agreement that had just signed, together with Argentine Defense Minister Eng. Roque Carranza, he stated that it was highly important and explained that whenever two countries which have undergone not so few differences in the past agree to discuss projects in their mutual interest, a deep feeling of satisfaction is experienced.

The document signed by the Argentine and Brazilian representatives gave rise to the immediate organization of task groups devoted to consider projects for possible joint development. These groups are formed by FAA (Material Command and FMA) and Embraer members and dialogues are evolving at a swift pace. This is evidenced by the fact that it is anticipated that the initial conclusions will be available in next April at the latest, even though Eng. Silva told us about the possibility of having the initial reports in March.

The first project to be analyzed, since both parties have stated to be willing to do so, would be the design of a new generation light biturboprop airplane mainly for civilian use, even though versions for military use may be developed later. The Brazilian company does not want to leave the market share it filled by means of the significant success attained by the EMB-110 Bandeirante. As that model gradually gets amortized and becomes technologically outdated, the operators will have to be offered an alternative for replacement in the 19 seats sector —maybe a pressurized one— providing cabin capabilities similar to those found in large intercontinental transports, though with no significant increase in the final sale price.

Travellers are increasingly becoming more demanding as far as safety, reliability and comfort are concerned, and operators thus need to find the adequate aircraft. As Embraer intends to firmly keep the position achieved, it has suggested our country to jointly undertake the development of what would be Bandeirante's successor. This project is the subject of the initial dialogues kept between the recently associated entities.

The Brazilian company considers that the market establishes the basic design features and that to force the penetration of alternatives contrary to what potential customers want, is like encouraging absolute business failure. Another point which has also given rise to some exchange of opinions by the parties is the possibility of carrying out the configuration of a training system with the joint participation of the EMB-312 Tucano and the IA-63 Pampa, which would cover all of the new pilots' training stages prior to category III (ready for combat). Of course, we cannot still talk about firm decisions having been reached but discussions are progressing with a great deal of enthusiasm and hope.

Eng. Silva is aware of the high cost involved in the development of a project and therefore thinks it is convenient to study all of the versions the basic design of an aircraft can possibly admit. If an opening to the military area is attained, it will be possible to reduce costs as well as to improve the marketing outlook. We should not forget that a joint development might be introduced in all the regions where the Bandeirante is flying today, and where Embraer has a sale and product support network in full operation. Silva gave an example of how solid his company is by telling us that he foresees that 70% of the production will be exported in the current year, and this will imply a revenue of u$s 280 M. In case a joint light transport project proved to be successful, the initial step to be taken as a launching base will be to determine the penetration capacity in the domestic markets in both countries, and then the possibility of foreign marketing.

We should remember that Embraer initially entered the civil aviation area and then, by means of the Xavante, did so in the military field. On the contrary, our FMA devoted most of its efforts to the design and production of units for military use. Therefore, we could say that the expertise both centers have is a complementary one and, if jointly exploited, it may provide very good results.

THE AGREEMENT

The document subscribed on January 17 last does not include too striking clauses but it sets the foundations to start *specific binational negotiations of any nature in the aeronautic field between FMA and Embraer. This agreement is presided over by concepts such as the intention to achieve an advantageous mutual cooperation, the use of human and industrial resources, and the exchange of technologies developed by both parties. If adequately managed, the latter will allow to improve common competitiveness to attain a deeper and more consistent penetration in the national and international markets.*

As from this moment, FMA and Embraer will be able to design, develop, test and manufacture new aircraft, equipment, systems and parts for civilian and military use by means of a rational and negotiated division of both participations, as well as the financing of the costs involved. Thus, both companies will be capable of entering into reciprocal subcontracts, of carrying out the training of technical personnel as well as the exchange of technical data, all this with the intention to develop specific programs.

The problem relative to investments and financing is dealt with particular equanimity as each party agrees to make contributions according to the share percentage it has in each project. In a similar manner, particular attention is paid to the financing conditions in order to encourage both partners' future customers and, in this sense, they agree to follow the necessary steps so that the national bodies grant long-term credits for the sale operations they get.

This agreement will run for a period of fifteen years, but this may be adjusted every three years in accordance with the results. It can be seen that this document does not particularly mention specific projects and on every occasion these will give rise to previous dialogues between the parties. However, in connection with the agreement and on the same date, the parties subscribed the Exhibit I with reference to a specific contract which allows the FMA to manufacture metal and carbon fiber parts for Embraer's EMB-312 and EMB-120 units. This Exhibit constitutes the effective start of mutual cooperation and, objectively, is the first practical result of the understanding having taken place between both countries.

When we asked President Ozires Silva if the amount implied by that production would be balanced by the delivery of T-27 Tucano to the FAA, he categorically denied such possibility and said that if the Argentine aeronautical institution states to be interested in the Brazilian trainer, this will give rise to dealings which will be carried out independently from the approved agreement. Eng. Silva assigns special importance to this complementary document because it will allow the technical teams to get a deep mutual knowledge as well as a full working consistency. This initial step is imperative to subsequently undertake joint activities of higher technological complexity and it is necessary to complete it successfull if we truly want to advance in the industrial integration.

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CSO: 3300/79

ARGENTINA

ARMED FORCES REORGANIZATION 'REALITIES' CONSIDERED

Buenos Aires AEROESPACIO in Spanish and English Mar-Apr 86 pp 5-7

[Article printed in English]

[Text]

This is a subject that has been discussed since the defeat in Malvinas battle got in the hearts of Argentine people. It was said that those called by the Compulsory Military Service Law should be professionalized by appealing to the enlisted men's voluntariness; it was also said that it was necessary to provide large battle units with more mobility and fire power; it was suggested to reduce the number of troops performing services under allegiance to the flag. In fact, there were as many opinions issued in this field as the number of inhabitants of the country because the problem really concerns all citizens. This attitude may be understood since the Armed Forces constitute the backbone of national defense and are actually one of the basic instruments to consolidate general security.

However, few citizens have understood that the spoken "reorganization" of the Armed Forces, which we consider to be imperative, has to be connected to a logical deductive reasoning going from the general aspect to the particular one, and resorting to everything which may be useful to ellaborate the decisions. In spite of the fact that this problem may seem to be a recent one, it is actually far from being so: many years before the Malvinas event there existed many concerns in this sense, and even though the discussions were kept in a mainly military environment, they did not fail to point out a concern which should have to be faced at some time.

Nobody dares to reject the idea that the Malvinas case constitutes a major milestone from which the subject of "reorganization" arises with a certain degree of urgency and particular emphasis. The cause for such variation was not the war as a historical fact, but what happened as a consequence of said event in the field of military strategy. In other words, and in order to account for such a sudden turn, let's say that before Malvinas there were no extraordinary urgencies. Postponements were reasonably tolerated with no painful consequences but, after Malvinas, there took place such an increase in internal needs that the subject has now become extended to the common people.

Paradoxically, as the hurry needed to change increases, the task will have to be performed with more prudence and with no interruption in order to avoid making mistakes which are always possible but which may prove to be highly serious if they are not timely identified. In view of these limitations, we must point out that the use of a logical deductive method to find suitable, feasible and acceptable solutions becomes almost inevitable. Any other alternative will give rise to a risk which may hardly be counterbalanced.

Starting from this premise, let's now bring to light and old chain of steps which will again prove to be practical in this complex circumstance. First, to establish the mission to be accomplished; second, to propose, adopt and adequate the doctrine that will lead us to the achievement of the mission target; third, to analyze the quickest and most efficient organization being in accordance with the doctrine criteria and, in the end, to evaluate the materials —mainly weapon systems— which, by being provided to the organic units, will make possible the execution of the task implied by the mission in terms of scope, completion and economy. As we can see, the classic organization fills the third place in the logic scale and it would be of little value to pride ourselves on the change of the structure of out Armed Forces if the first two stages are not solved before.

The establishment of the Armed Forces mission is an eminently political responsibility which concerns the political power and, therefore, it requires no other consideration. However, the doctrine is a body of rules which serves for the military institutions to carry out their duties based on concepts previously agreed to, recognized, experienced and developed in consecutive levels. This task is particularly significant because the success or the failure of the joint operations —congruous and interrelated action— to be eventually executed in the frame of war depends on it.

But, which are the pillars based on which a military doctrine is ellaborated? Simply, theoretical speculations, cabinet and field tests and, mainly, the analysis of the military operations during a warlike conflict. No doubt, the battlefield constitutes and irreplaceable laboratory to evaluate the theoretical conceptions and the capabilities of weapon systems. In addition, it is also the most tragic and the costliest and, therefore, the fact of ignoring everything which may be learned there is like wasting a heritage hardly accumulated by others.

During the war, the pieces of the military chessgame are moved by following a doctrine which is implemented by the political and military leaders. Facts will reveal how correct and how wrong that doctrine was. For that simple reason, the fact of being right will achieve success, and errors will only get defeat but, whatever the result is, the judgement will have no appeal. Those who make intelligent use of the conclusions will partly compensate the painful wearing out undergone in the conflict; those who do not manage to exploit them adequately will be again defeated even though they will not become aware of it until the same mistakes are made in the next war.

Hence, the doctrine must be assigned special importance and if not previously accepted and sincerely respected, the careful manner in which the two following steps may be carried out will not have much sense. The recognition of the doctrine by all institutions involved means that in addition to a full understanding on the part of all members and the organizations of each of them, that attitude must be conveyed to each of the operations to be jointly and individually done with specific forces. A doctrine which does not have the approval of its executioners is valueless.

We think it is in this step where the core of the true "reorganization" which will have to be assimilated by our Armed Forces is located. In addition to the changes to be made on the formal internal structures to achieve the always desirable "efficiency and quickness", it is imperative to work on the doctrinarian "reorganization" based on the learnings of the Malvinas war as it is the closest to us and that in which our military forces had a main role. The best way to pay homage to our heroes is to draw the most useful conclusions of each of the feats of arms to incorporate them to the new joint military doctrine.

During the conflict many concepts which were only the result of repeated statements were questioned; others which had undergone previous fire tests were ratified and, as a result of the analysis made by experts even prior to the end of the battle, many new ones were ellaborated. Only a few days after the warlike episodes tok place, new doctrines started to be tested by NATO countries; the states having subscribed the Warsaw Pact carried out such a strict observation program that we suppose they acted in a similar manner. We cannot limit ourselves to say that it would be different in another time as if nothing had happened.

It is not so simple to spoil an institutional doctrinarian body which supposedly has proved to be effective and solid, but when events prove the contrary, the oppsition to change automatically becomes an insinuation of collective suicide. The responsibility of the Armed Forces is now a hard one because the resistance to introduce conceptual changes where previously it was thougfht that no failures existed, gives rise to a natural reaction. However, that tendency does not prevent anyone from producing the doctrinarian variations which have arisen as a result of that costly war.

In the way of an example, we may mention the recognition of surface ships vulnerability when faced to air and submarine threats; the importance that the logistic problem gets in the execution of the maneuver and the battle; the performance of barrel weapons in the defense against aircraft flying at a very low altitude; the low coefficient of the effectiveness/cost ration of missile systems; the importance of operating under the protection of high air superiority; vtol mobility to prepare the battle; the effective threat posed by nuclear propelled submarines and the vulvenability of killer groups organized around aircraft-carriers.

When we update the joint military doctrine, the following steps will find solutions which will be less traumatic because they will be naturally derived from the previous one. That effect will strictly condition the structural framework whithin which the national military forces will have to be grouped. The strenght and the power of each of them will necessarily emerge from the responsibility it will have in that updated doctrine and therefore no previous prejudices may be of any value. In the end, once the doctrinarian structural problems have been solved, the new equipment will be a question of political-economic nature in which the government authorities and the military institutions will simultaneously take part.

In brief, the "reorganization" of the national Armed Forces must initially take place in a mainly intellectual area rather than in the classic structural one, as it is in that field where the most sensitive variations —which will subsequently give rise to internal reordering— must be made. Times change, modalities are enhanced and technology advances. In view of those irrefutable realities, it is not possible to claim for the inflexibility of theories and doctrines. To go ahead with an efficient process, let's always take into account the logical steps which have been the subject of this comment: mission, doctrine, organization and material.

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CSO: 3300/79

ARGENTINA

BRIEFS

TRADE TALKS WITH HUNGARY--At the invitation of Jorge Campbell, an official in the Industry and Foreign Trade Secretariat, Imre Dunai, deputy minister of foreign trade, visited Buenos Aires between 31 March and 3 April. Talks were held on the possibilities of expanding Hungarian-Argentine trade. During the visit, Sandor Demcsak, general director of the Hungarian Foreign Trade Bank, and Alfredo Concepcion, president of the Argentine Central Bank, signed an interbank agreement on marketing goods in each country. During his visit Imre Dunai met with Roberto Lavagna, secretary for industry and foreign trade; Jorge Romero, under secretary for international economic affairs, and Leopoldo Portnoy, vice president of the Argentine Central Bank. Pejak Zsiva, ambassador of the Hungarian People's Republic in Buenos Aires, also participated in the meetings, the interbank talks and the signing of the agreement. [Excerpts] [Budapest NEPSZABADSAG in Hungarian 4 Apr 86 p 9 AU] /7051

CSO: 2200/276

FNM'S ISAACS CITED AS 'INCOMPETENT' LEADER

Turnquest's Remarks

Nassau THE TRIBUNE in English 25 Mar 86 pp 8, 12

[Article by Alexis Wallace]

[Text]

TORCHBEARERS President Tommy Turnquest told FNM supporters Thursday that if elected the FNM will ensure that young people are given a second chance to take their place in society by removing petty crimes from their record once they reach the age of 21 and have been of good behaviour.

"We in the FNM will ensure that justice is for all, with an equitable system where the punishment meted out to Mr 'So and So's' son is no different to that applied to the youth from Podoleo Street. If one is to be discharged unconditionally for an offence because of his age then we say it should be so for all."

Addressing a forum meeting of the Delaporte constituency of the FNM at the St John's High School Auditorium, he said it is time now for the youth of this country to take a necessary chance. "For the last 20 years," he said, "a government bereft of ideas, robbed of morality and rifled with corruption, has taken the young people for granted, and consequently many of our youth are today without any direction or positive guide," Mr Turnquest said.

"One of the most urgent tasks facing the Free National Movenment when it becomes the government of the Commonwealth will be the task of directing the youth and providing excellent role models to our young citizenry, as we forge forward in a new direction," he said.

"In a country where 60-percent of the population is below the age of 28, it is of fundamental importance that this often silent, but ambitiously noisy, segment of the overall population be heard.....Not only heard, but be listened to. And the FNM from its inception has ensured this."

Mr Turnquest said it was his task to tell young Bahamians what opportunities there were in politics, education and most importantly in playing a part and taking a part and righful role in a new Bahamas.

"I wish to deal firstly with one particularly vexing situation, and that is the area of juvenile deliquency, and the matter of criminal records which the present administration is adamant in persisting in their policy of maintaining: thus denying many of our unfortunate brothers and sisters a fair slice of employent opportunities, and the right to start their professional life out on the good foot," he said.

"We believe that petty crimes committed by young people should be removed from their records once they reach the age of 21 and after a period of good behavior, having proved to be rehabilitated," the Torchbearer leader said.

He said many young people are almost forced into anti-social behaviour because of a lack of constructive or meaningful opportunities.

"A caring government cannot and should not punish these misguided youth for the rest of their lives," he said. "They should be given a clean slate and an opportunity to start afresh as they enter adulthood."

He continued: "Many of our young people have succumbed to peer pressure and have taken drugs and many have been caught and convicted of drug possession. I am not suggesting that we condone drug usage, but we should not inflict the life-long pain and agony of a criminal record on a 16-year-old for being caught with a gram of marijuana.

"Unless there is an effective, government sponsored drug programme to effectively deal with the drug problem in our country, it is incumbent upon the government to ensure that a youngster's life is not ruined by something he or she did, unknowingly of the consequences, or merely just as something to do to pass the time away."

He said that another area of importance for an FNM government will be the necessity and absolute priority of putting our people back to work.

"I firmly believe that there ought to be some sort of National Youth Service," he said. "A service which calls upon our young people to serve our country patriotically and dutifully in fundamental areas of National importance, which eclipses the very bulwarks of our economic and social dependence. A voluntary, paid service with technical training."

He said that the FNM as the government, must move expeditiously to establish such a service, which will call upon young people between the ages of 16-25 to "voluntarily" serve their country in these variuos areas.

Mr Turnquest said such a service should be for a period of not less than two or more than three-years.

"Recruits in such programmes can be allowed to serve various terms with the Defence Force, the Royal Bahamas Police Force, the Immigration Department, the Customs Department and the prison services," he said.

"During their two-year service they will also encounter charitable organizations such as the Royal Life Saving Society, the Bahamas Air Sea Rescue Association, the Crippled Children's Fund, the Ranfurly Home, the Children's Emergency Hostel, the Bahamas Humane Society, the Yellow Birds, the Innerwheel Club, the Salvation Army and the Bahamas Red Cross."

Mr Turnquest said that it was his belief that the youthful Bahamas is ripe for such an adventure and that he felt young people want such an adventure.

He said that if there is one thing that the corrupt government of Sir Lynden Pindling ought to be condemned for, it is the absence of opportunity it has presented in the last 20 years to Family Islanders.

"My mind goes directly to the $300,000 that was given to Prime Minister Pindling to establish a Family Island Fund and build tourist cottages in Congo Town, so as to provide job opportunities for young people. We all know the final chapter of this story all too well. The cottages never went up and our Androsian brothers and sisters were made to suffer even longer," he said.

"How selfish? How uncaring? How deceptive? Lynden Pindling ought to hang his head in shame," Mr Turnquest said.

"Our Family Island youth ought to be guaranteed the same employement opportunities, education and economic and social benefits as our young people in Nassau," he said.

He said that no more ought the Bahamian Government be the reckless developmental pivot which wedges between Bahamian families forcing them to come to Nassau - often for the first time in their lives - to seek out a living, or for further education.

In 1972 the Youth Arm of the FNM (The Torchbearers) was instituted into the FNM Mr Turnquest said.

"Politicians for many instances have taken the youthful population of our country for granted, for a walk-over. Not until the FNM instituted a youth arm which came to be known as the Torchbearers did the youthful aspirations of this growing population have an opportunity of expression."

He reminded his listeners that when the Torchbearers were celebrating their 10th anniversary, the Progressive Liberal Party were just beginning to think about a youth arm.

Pindling Makes Charges

Nassau THE TRIBUNE in English 4 Apr 86 p 1

[Article by Anthony Forbes]

[Text] Official Opposition Leader Kendal Isaacs is the "most incompetent political leader" in the western hemisphere, Prime Minister Sir Lynden Pindling charged at a PLP mini-rally in the St Agnes constituency last night.

"The FNM always trying to make something out of nothing," the Prime Minister said. "If they would only stick with the facts. Admit the man ain't do nothing, ain't try nothing, ain't been nowhere, can't go nowhere, and if he did go somewhere he wouldn't know what to do when he got there, and if you put it in his hand, he'll drop it.

"If you don't believe me, you tell me one thing that they put in his hand in the last five years that he was able to do anything with," the Prime Minister said, adding: "Not a thing."

"Isaacs is really the most incompetent political leader anywhere in the western hemisphere," the Prime Minister told supporters gathered at the Timothy Gibson Primary School.

"Right now, when this comes out tomorrow, he will be pondering whether his answer will be 'no comment'," the Prime Minister added. "Lead what, this Bahamas? Boy, I tell you."

The Prime Minister said that it was a miracle to witness the unfolding of facts by St Agnes MP Kendal Nottage and declared that "what goes around, comes around."

"I see that (Yamacraw MP) Janet Bostwick is still trying to turn a shadow into something, but it's not possible," he said. "The public relations people, Project Masters and Justice International, tried to make steel out of putty and there is no way that you can make steel out of mud."

"Now she is trying to say that Kendal Isaacs found in the war for me. Kendal Isaacs ain't fight in no war, I tell you that," the Prime Minister said.

"Now, it is true that Kendal Isaacs joined the army, but he ain't fight in no war, and there is a big difference between joining something and fighting something," he said.

"And that's all I was talking about, marching for human rights, and that record I gave was the record of the PLP fighting for Bahamian rights," the Prime Minister said. "I still say that Kendal Isaacs has fought for nothing."

"When he joined the army and said he fought for Bahamians, I don't think he travelled 500 miles. Never saw the battlefront. Never fired a single shot. Fought for who?

"Stop trying to fool the people. That is an easily verifiable fact. Check the record," he said. "He joined the army in 1944. Went to Jamaica to officers training school. Finished officers training school in Jamaica and came back to the Bahamas when the war was over. That's it. Fought what."

"And after the war was over, then he got a scholarship to go to Cambridge and he went to Cambridge and the British Legion sent him 50 pounds every now and then," he said.

"The best thing that he fought while in England...he was a great tennis player. He got a tennis blue while at Cambridge, not Oxford. Fought in the war? What war?" he scoffed.

"Don't ask me. I was not there. I went to Government High School in 1943 and I left in 1946, but if you don't believe me, ask Livingstone Nathaniel Coakley," he said. "He was there. He was a member of the Bahamas Batallion. He went to Jamaica. He could tell you the whole story. It's an easily verifiable fact. Fought in the war? What war?"

"Henry Bostwick, who is trying to turn a bald head into jerry curls...that is also an easily verifiable fact," he said in a swipe at the FNM Senate Leader.

"Let him get the record and check the record and see whether what was said here tonight is correct or not," the Prime Minister said. "When they have the next Council meeting...Janet Bostwick says she wouldn't call him Kendal any more.... If I were she, I wouldn't call him anything anymore. I would call him Mr Nothing."

Also speaking briefly was Deputy Prime Minister Clement Maynard, Minister of Tourism and Foreign Affairs.

Warning FNM's not to "mess with LO," Mr Maynard said: "I gave them a chance yesterday (Wednesday) to discuss their vote of no confidence; they didn't take the chance but I promised them with some easy verifiable facts before we finish debating their motion, I think the chief is going to be swept into the sea of political nothingness."

He said there are at least 10 PLP ready and armed to perform, "if not better than Nottage, as well as Nottage," in the House of Assembly.

He said he is going to be sure they take into the House for the FNM a "box of extra-large pampers."

"You'd better believe me things are going to be tough," said the House Leader.

He said that some people seemed to be fearful, but he is glad to see spirits are improving.

"Even God's people, the Israelites, were scared when they saw the Egyptians coming, but we've got Moses man, we've got Moses," Mr Maynard said. "And Moses himself was a little bit scary sometime, but God said what are you scared of, you've got something in your hand, use it."

"All I've got to say to you is that LO has got the rod in his hand and I say to LO use the damn rod man," Mr Maynard said.

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CSO: 3298/420

BAHAMAS

CHANGES IN FNM NO-CONFIDENCE MOTION TO BE QUERIED

Nassau THE TRIBUNE in English 4 Apr 86 p 1

[Article by Anthony Forbes]

[Text]

OFFICIAL Opposition Leader Kendal Isaacs told House members Wednesday that at next week's sitting he intends to question the deletion of six paragraphs from his no confidence motion against Prime Minister Lynden Pindling.

The paragraphs deleted by the Speaker deal with corruption.

The resolution, tabled by Mr Isaacs during last month's sitting of the House, is expected to be debated when the House meets again next Wednesday after completion of debate on an opposition request for a select committee to examine the dispute between the Bahamas Union of Teachers and the Minister of Education.

Mr Isaacs' statement came after House Leader Clement Maynard moved for the suspension at 7pm, stating that he had obtained the agreement of the Opposition Leader for the one-week suspension and that it was expected that the no-confidence motion would be dealt with at that sitting.

Mr Isaacs said he intends to raise a point of order when he moves the resolution in connection with the deletion by Speaker Sir Clifford Darling of "six recitals" which all dealt with corruption.

Mr Isaacs said that the Speaker seems to be saying that those matters contained in the six recitals have been dealt with before.

He said the House has not dealt with a resolution of no confidence before in this session, which began in 1982, and the opposition would need evidence to support his motion.

"This is an instance in which you have deleted six recitals from my resolution," Mr Isaacs told the Speaker.

The Speaker replied that members are to be given some latitiude to go into certain matters.

Former House Leader and Deputy Prime Minister Arthur Hanna then questioned which of the two resolutions are to be debated next week, saying that he had copies of both, the original and the deleted one.

He said he wants to be fairly certain which is to be debated so he could properly prepare for the debate.

The Speaker told Mr Hanna that the deleted resolution will be debated by the House.

"I know what I am going to do. I will give members the latitute to touch on relevant points," the Speaker said. "I want to be in a position as Speaker to curtail the debate."

Mr Isaacs said he proposes to bring evidence as to why the opposition don't have confidence in the Prime Minister.

Mr Whitfield entered the verbal exchange stating that the Opposition Leader may have brought a "naked resolution" to the House, the Speaker ended the matter by asking Mr Isaacs to meet with him today to discuss the matter.

Sir Clifford admitted in the House Wednesday morning that the resolution is "not in the form of the original put" but in a form which he regards as regular and proper and in accordance with the rules of the House.

He said he did not intend to restrict debate as long as it was in accordance with the rules of the House and that he desired members to have reasonable latitude to discuss relative matters as long as the rules are not violated.

The Opposition has claimed that the Speaker has extracted the "teeth" of the resolution by deleting eight of the 20 paragraphs.

Mr Isaacs tabled the motion at the March 12 sitting of the House, citing the recent issues of the Haitian round-up and the teachers dispute with the Ministry of Education, among others, as reasons for his move.

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BAHAMAS

PLP CHAIRMAN MCWEENEY DISCOUNTS FNM ELECTION PREDICTION

Nassau THE TRIBUNE in English 25 Mar 86 pp 1, 12

[Article by Athena Damianos]

[Excerpts]

PLP CHAIRMAN Sean McWeeney said today it is absolute nonsense to say that the Prime Minister's request for PLP voters to register by June is a clear implication elections will be held around that time.

Mr McWeeney telephoned The Tribune at lunchtime to brand the Opposition's remarks of yesterday as "a complete *non sequitor*."

"This isn't the Philippines.'The Opposition is obviously emboldened by what it has seen in the Philippines and Haiti. There's no parallel whatsoever," he said.

Mr McWeeney said that the Opposition's threat to utilize "people power" and take to the streets in demonstrations if an election is not called by the end of June is "strictly unoriginal" and a "recycling of FNM tactics."

The FNM served notice yesterday that, in the face of mounting international rebuke the "corrupt" Pindling administration is receiving, it intends to hold the Prime Minister to his word concerning his call for PLPs to register by June.

"It is a clear implication that elections will be announced in that month or shortly afterwards," the FNM said, adding that should Sir Lynden renege on this, the Opposition, utilizing people's power, "will again take to the streets in demonstrations until he does the honourable thing."

Mr McWeeney said that there are a number of reasons why Sir Lynden could have urged PLPs to vote, including the Opposition's suggestion. He said another possibility was that the Prime Minister was asking PLP supporters to register, just as the FNM has been doing.

"It was a partisan pitch," he said. He said that the Boundaries Commission has not met yet to determine what changes, if any, will be made.

Asked if the party accepted the Commission of Inquiry report, in light of the fact that he feels Mr Nottage is in good standing in the PLP, he said the party has accepted the report as "being a finding of the Commission" and that there was a "qualified acceptance."

He said that the PLP has not yet conducted an inquiry into the report's finding on Mr Nottage and he remains in good standing. Asked when an investigation would be conducted, he replied "at the appropriate time." The report was released in December, 1984.

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HAITIAN ISSUE SAID TO REVEAL PLP SETBACK TO PINDLING

FL212324 Nassau THE TRIBUNE in English 15 Apr 86 pp 1, 8

[Article by Athena Damianos]

[Excerpts] A proposed "secret" meeting between Prime Minister Lynden Pindling and Haitian political party leader Bernard Sansaricq collapsed after Minister of National Security Loftus Roker learned of it.

Mr Sansaricq's Nassau representative, Gerard Marcel Damas, met with Sir Lynden about allowing illegal Haitian immigrants another amnesty, during which time they would register with Party Populaire Nationale Haitiene, sources said. But Mr Roker found out about the meeting and became angry, said TRIBUNE sources.

"Mr Roker said: 'Nothing of the sort. This is nonsense, I will go right away and see what this nonsense is about,'" a source said.

Mr Roker's apparent intervention has renewed speculation that, after 19 years, Sir Lynden is losing control because of his compromised position, with his national security minister asserting his authority more than ever.

"Mr Pindling appears to be powerless to act as far as Mr Roker's portfolio is concerned and, I think, as far as most of the portfolios are concerned," opposition leader Kendal Isaacs remarked.

"He needs Mr Roker's support in order to govern and I think Mr Roker has laid down his terms on which he will give support.... Mr Roker can do a lot of damage. He has not been tainted by any accusation of corruption and he gives a large amount of moral strength in the cabinet, which they very much need."

PLP [Progressive Liberal Party] Chairman Sean McWeeney disagreed. "From my perspective, and I say this very sincerely, the party is stronger now than it has been in the past 18 months to two years, particularly at the parliamentary level," he said.

The general consensus is that this is far from reality. Mr Isaacs has called the prime minister "a prisoner in his own cabinet."

While Mr McWeeney boasts otherwise, the general consensus is that the party is at the lowest ebb ever and has been on the downslide since the 8 October 1984 resignation of Deputy Prime Minister Arthur Hanna, the prime minister's personal friend of long standing and a symbol to the PLP.

It is, in fact, doubtful that an election will be called overnight. The machinery is not in place. The prime minister has, however, set the stage for his election campaign.

If an election is not held by January 1987, under the constitution the constituency boundary commission must revise the boundaries, something that must be done every five years.

There is strong speculation that the PLP will gerrymander and add additional seats. Government's two representatives on the commission, former Deputy Prime Minister Arthur Hanna and St Michael's MP George Mackey, who has been associated with the dissident group, have been replaced.

Although it could not be confirmed, it has been reported that Deputy Prime Minister Clement Maynard and San Salvador/Rum Cay MP Philip Smith have been named to the commission with Pine Ridge MP Cecil Wallace-Whitfield from the FNM [Free National Movement], the speaker, and a Supreme Court judge.

Although he has until next September to call an election, there is still work to be done. Sir Lynden has an outspoken cabinet minister--whose implementation of immigration policy has come under harsh criticism--to deal with, as well as a dissident faction within his own party. The election timetable is ticking away.

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BAHAMAS

POLITICAL, BANKING FIGURES ACCUSED OF INVOLVEMENT IN DRUGS

Money Laundering

Nassau THE TRIBUNE in English 3 Apr 86 p 1

[Article by Anthony Forbes]

[Excerpts]

BANKERS and lawyers have helped mightily to launder money, lawyer Geoffrey Johnstone told bankers today, adding that "the drug trade could not survive if money were not laundered."

Speaking at a Bankers Club meeting at the Cable Beach Hotel today, Mr Johnstone said that "lawyers have passed the line where they act only as advocates and have penetrated into that region where they act as principals or accessories. The drug trade would not have prospered as it has it they had done otherwise."

Mr Johnstone, of the law firm of Higgs & Johnson, and one of the liquidators of the collapsed Italian Banco Ambrosiano, told bankers that it is an "incontrovertible fact" that in this present decade, the legal profession has sunk to depths previously unknown.

Mr Johnstone said that the country is stricken by the most degrading and demoralising traffic which the world has seen in many a long year - the illicit drug trade.

"It is no exaggeration to say that we are teetering on the brink of disaster," he said. "Whether we shall avoid it is highly questionable."

"Will we develop into a strong, vibrant country with an efficient, energetic and worthy populace or will we become a nation of idiots, mental cripples and crooks?" he asked.

"Bankers and lawyers have helped mightily to launder money," he said. "Lawyers have passed the line where they act only as advocates and have penetrated into that region where they act as principals or accessories. The drug trade would not have prospered as it has if they had done otherwise."

He said that very few lawyers have actually participated in wrongdoing, but many have turned a blind eye.

"And most of us have failed to display and exert that moral approbrium which, through the centuries, has played so great a part in cleansing society of its miscreants," he said.

Mr Johnstone, who has practised law for over 35 years, said that the profession has been an absorbing, joyful experience for him and until recently, a great source of pride.

"But I hang my head in shame at the depths to which some of my colleagues have sunk, and at the extent to which a great profession has been tarnished by criminals in its midst," he said.

"And in the exercise of my function as the liquidator of a bank, I find it hard to believe the brazen frauds which have been committed.

"I do not pretend to you that it lies within our power as bankers and lawyers to bring the drug trade to a halt, or indeed, at this stage, to make any significant impact on the mortal blows which it continues to strike in our society.

"Which is not to suggest that we should not do all in our power to stop it. But I wish to go a little further than just the drug trade," he said.

Accusations Against Isaacs

Nassau THE TRIBUNE in English 7 Apr 86 pp 1, 11

[Article by Anthony Forbes]

[Text]

FORMER Cabinet Minister Kendal Nottage told a PLP mini rally in his St Agnes constituency Thursday night that Official Opposition Leader Kekndal Isaacs and his party have been engaged in a "massive cover-up" for two years and a "psychological play" on the minds of Bahamians.

Contending that Mr Isaacs is already in the "gutter," Mr Nottage accused the FNM Leader of covering up his own activities in the 1970's. Mr Nottage said that Mr Isaacs was drew up the conveyances for the company of drug smuggler Joe Carlos Lehder when Lehder purchased Norman's Cay.

Addressing supporters at the Timothy Gibson Primary School, Mr Nottage also repeated earlier charges against Mr Isaacs and called the Opposition Leader a "coward" for bringing his wife, lawyer Ruby Nottage, into the matter as a "cover-up."

Mr Nottage maintained that Mr Isaacs propositioned him to assist him to become Chief Justice in April, 1978; that he paid Mr Isaacs $5,000 to represent him in the Islander Hotel case before the matter went to court. He said Mrs Nottage did not pay Mr Isaacs the $5,000 after the case was settled.

The St Agnes MP, who resigned as Minister of Youth, Sports and Community Affairs in October, 1984, two months before the Commission of Inquiry found he had fronted for Michael Caruana, a member of a mafia "family", whether he realized it or not, called on Mr Isaacs to produce his evidence to show that he, Nottage, was not telling the truth.

He said he met with Mr Isaacs in Mr Isaacs' law office and gave him instructions in connection with the Islander case in June, 1979, and that both men discussed the matter there.

"I have shown that it wasn't Mrs Nottage, it was Mr Nottage, this same boy here," Mr Nottage said.

"I challenge Mr Kendal Isaacs tonight to tell the truth, tell the people the truth and the whole truth," he said. "Tell the people that I came to his office in June, 1979, and instructed him on the case, and not my wife. Tell the truth."

He said he has the notes in handwriting what he said and what Mr Isaacs said during the meeting.

He said that Mr Isaacs could not send him a bill because he had no bill to send.

"But he did not have the courage to tell the public that he did not send me a bill, so I will tell you why he didn't send me a bill," he said. "He used this matter as a cover-up. You see, he wanted to use my wife as a cover-up and he did not want to show any dealings with me."

"That's why he didn't want to admit that he was already paid by me with a cheque signed by me. That's why. That's why he said my wife paid him later. But if my wife paid him later, produce the evidence," Mr Nottage said.

"He wanted to give the public the impression that he did not send us a bill but my wife was so grateful to him for winning the case, that she paid him $5,000," he said.

"Now could you imagine, he want the public to believe that my wife gave him $5,000 behind my back, unknown to me, and even though she didn't get no bill, she said take five (thousand dollars)" Mr Nottage said.

"I call on Mr Isaacs to tell the truth. He knows he did not tell the truth the first time. I am giving him another opportunity to speak the truth," the St Agnes MP said.

Asking why Mr Isaacs cannot return the $5,000 if he accepts the Commission report of 14 months ago that he (Nottage) fronted for a member of the mafia, Mr Nottage said that Mr Isaacs did not return the money because he knew all along, as he knows right now, that the $5,000 was not mafia money.

"He was only trying to play politics. That's why he did not return the money, because he knew then and he knows now it was never mafia money," the former Minister said.

"Mr Isaacs and the FNM has been engaged in a massive cover-up. They have been engaged in a massive cover-up for two years and they have been engaged in a psychological play on the minds of the people of this country," Mr Nottage said.

"He has been covering up his own activities in the 1970's. Now listen to me now. He has been covering up. He wants to accuse people like me to cause the Prime Minister to question because he doesn't want anybody to remember what kind of activities he was involved in in the 1970's," he said.

He said that the Commission of Inquiry's first term of reference was that they were to investigate the involvement, if any, of any member of Government, or Member of Parlaiment, facilitating the trans-shipment of dangerous drugs in the Bahamas.

"Now we all know that Kendal Isaacs is a Member of Parliament, so we don't have to argue about that," he said.

He said that the Commission came about because of the NBC story, one of whose important segments was the activities at Norman's Cay.

He said the Commission report said that drug operations started in Norman's Cay in 1979 and that Norman's Cay was the base of a large scale drug operation by Carlos Lehder.

"I believe that FNMs agree with that. I believe Mr Isaacs agrees with that. I believe that all Bahamians who wish to listen agree with that," Mr Nottage told the rally.

"But how did Norman's Cay get into the hands of Carlos Lehder?" he asked. "Boy, like the Prime Minister say, what goes around, comes around."

"How did Norman's Cay get in the hands of Carlos Lehder? I will tell you. A man called Kendal George Lamond Isaacs. That man put Lehder on Norman's Cay. That man put Norman's Cay in the hands of Joe Lehder," Mr Nottage claimed.

"The year was 1979, Kendal Isaacs was the lawyer in the deal when Carlos Lehder took control of Norman's Cay," he said.

"I call on Mr Isaacs to speak the truth. I call on him to say the truth. I say Isaacs put Norman's Cay in the hands of Carlos Lehder," he said.

He produced a copy of the conveyance in which the cay was sold to Lehder.

He said the conveyance was dated January 31, 1979, between the Island Company Limited, the vendor, and International Dutch Resources Limited, the purchaser, owned by Carlos Lehder.

He said that purchase was for $875,000 and was made in 40 conveyances.

He also produced a letter dated October 25, 1978, which he said Mr Isaacs has in his files, stating that the company was owned by Lehder of Cartegena, Colombia, and that it would not borrow Bahamian funds.

"Carlos Lehder is an international drug smuggler. Carlos Lehder is a drug smuggling king, Norman's Cay is a drug smuggling base. Lehder got possession of Norman's Cay through Kendal Isaacs. Kendal Isaacs was the lawyer," he said.

He said that NBC said that Norman's Cay was a drug base and the Commission said it was a private drug smuggling operation and that Lehder was a drug smuggling king.

"Isaacs was his lawyer. Isaacs placed the drug base in the drug king's hand," Mr Nottage claimed.

He claimed that because of the transaction, Mr Isaacs benefitted from drug money, not once, twice, thrice, but "forty days and forty nights."

"Forty conveyances, forty times. You know why. He got paid forty times," he said. "So what happen, he got paid forty times."

He said if Mr Isaacs' records are checked, it would be seen that he got big, big money.

Showing how "truthful" Mr Isaacs is, Mr Nottage told the rally that the deal was drawn up in 40 different conveyances to "reduce stamp duty."

Banker's Denial

Nassau THE TRIBUNE in English 8 Apr 86 p 1

[Article by Anthony Forbes]

[Text]

A CANADIAN bank chairman says there is no "factual basis" for lawyers' claims that Bahamian banks are still used to launder "narcotics millions."

Cedric E Ritchie, Board Chairman, Bank of Nova Scotia, Toronto, took issue with a series of articles published in The Gazette of Montreal on December 21, 22 and 23. The series was written by William Marsden who spent some time in Nassau late last year gathering material for his articles, the first of which appeared under the heading, "How Canadian banks are used to 'launder' narcotics millions."

Mr Ritchie, in a letter February 26 to the Editor of The Gazette, called the articles "unsubstantiated and defamatory." He said the bank denied the "allegations." He said the only basis he could find for the report was a "statement from unnamed lawyers in the Bahamas that Bahamian banks are still widely used to launder illicit money and a statement from Bahamas MP Hubert Ingraham that the banks continue to accept 'millions and millions of dollars, all in the banks as cash deposits.'"

Mr Ritchie said that "any banking business is founded upon public trust and confidence." He called the Gazette articles "defamatory misrepresentations," which "strike at the core of our livelihood.

In September, 1983, the Bank of Nova Scotia's Bahamas branch turned over the records of one of its customers to a Florida federal grand jury to avoid a $25,000-a-day fine.

The matter, which had been developing since 1981, began when a Fort Lauderdale jury requested records from the Bank of Nova Scotia for Frank and Paula Brady in connection with allegations of income tax evasion. The Bradys were later indicted on marijuana smuggling charges.

Mr Ritchie, in an interview with the Toronto Star, at that time admitted that money laundering by criminals was a "significant" problem that the Bank of Nova Scotia had been fighting for four years. He said that in 1982 he recognized the magnitude of the problem in the bank's Caribbean operations.

Nova Scotia bank recently implemented a worldwide training programme to protect its banks from becoming involved in criminal activities - in particular to make its frontline staff - "tellers and managers at the local level - aware of how to recognize and deal with potential criminal abuses."

In his February 26th letter to the Gazette Mr Ritchie said he was "offended" to read the Montreal newspaper's three articles on Canadian banking operations in the Bahamas.

"This bank denies having 'stonewalled' US authorities on any criminal investigations," Mr Ritchie wrote the Gazette. "An accurate and balanced report would have mentioned that our position in the Frank Brady case was supported by the governments of Canada, the United Kingdom and the Cayman Islands, as well as the Canadian Bankers' Association, each of whom filed briefs in opposition to the positions of the US authorities.

"This bank denies the implications that it had any knowledge of wrongdoing by any of its employees. Even though you reported that the two employees alleged to have misused their position have long since left the bank, the tone of your articles wrongly suggests that this bank condoned those activities," Mr Ritchie wrote.

He said the articles were reported by the Gazette as reflecting a situation that exists today, without any factual basis, and were merely a repetition of previous accounts of events that occurred in 1978 and 1979.

Mr Ritchie said that from the first headline, "How Canadian banks are used to 'launder' narcotics millions," the articles were "misleading and the premise unsupported."

"Although written in the present tense, this was just another survey of historical reports," Mr Ritchie said in his letter.

"Your reporter unfairly chose to ignore the conclusion of the Commission of Inquiry (in the Bahamas) that 'we consider that the banking industry has already taken positive steps to minimize the use of the system to launder drug-related funds'," Mr Ritchie wrote.

"In the face of this evidence, it is irresponsible to report that the practices continue," he added.

"The only basis for that report that I can find was a statement from unnamed lawyers in the Bahamas that Bahamian banks are still widely used to launder illicit money, and a statement from Bahamian MP Hubert Ingraham that the banks continue to accept 'millions and millions of dollars, all in the banks as cash deposits'," Mr Ritchie said.

"There is no factual basis for these allegations. Nevertheless, you reported that 'It's hauled to Canadian banks here (Nassau) in huge stacks of small bills' in the first sentence of the article. This bank denies these unsubstantiated and defamatory allegations."

Mr Ritchie said that virtually the whole of the second article in the series was devoted to the testimony of Timothy Minnig (a convicted drug smuggler) before the Commission of Inquiry.

"What responsible purpose is served by reporting that testimony in detail in the face of the Commission of Inquiry's conclusion that his testimony is unbelievable?" Mr Ritchie asked.

"This is further compounded by the reference (in the preamble to the story) that although the Commission found no evidence that the Prime Minister received bribes from drug smugglers, US Drug Enforcement authorities seemed to believe otherwise," he said.

"After the first story appeared, the bank called the reporter in question to correct that false report, which has nevertheless been repeated," Mr Ritchie said. "The bank has commented that its common law duty of confidentiality owed to its customers prohibits it from discussing any dealings it has had with Prime Minister Pindling."

According to the Commission of Inquiry's 1984 report the Prime Minister's loan at the bank as at March 22, 1984 had an outstanding balance of $867,009.61 plus accumulated interest of $60,714.42. "It would appear," said Inspector Frank Richter in the report that the Prime Minister "has not made any interest or principal payments on this loan since October 1983. A proposal is presently being made that will reduce this debt by $500,000 to approximately $467,000. The Bank of Nova Scotia will require interest only payments for one yer, which will be approximately $4,000 per month."

In a speech to the Bankers Club Thursday lawyer Geoffrey Johnstone talked of how bankers and lawyers sit astride the arteries of business and commerce in the Bahamas. They were "stubborn portals," he said, "through which all must pass... the merchant, the industrialist, the ordinary businessman cannot really function without us."

He said that "bankers and lawyers have helped mightily to launder money." And added: "The drug trade could not survive if money were not laundered. Lawyers have passed the line where they act only as advocates and have penetrated into that region where they act as principals or accessories. The drug trade would not have prospered as it has if they had done otherwise."

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BAHAMAS

CRITICISM ATTENDS GOVERNMENT TALKS WITH CUBA; PLP RESPONDS

Action Group's Fears

Nassau THE TRIBUNE in English 7 Apr 86 p 1

[Article by Anthony Forbes]

[Text]

GOVERNMENT'S reluctance to give an "open and full disclosure" of talks held on two occasions in Havana and Nassau, gives the Bahamian people a "legitimate cause for fear" that a secret agenda may exist between the Pindling and Castro governments, the Action Group said today.

The Action Group also challenged the Ministry of Foreign Affairs to deny that the Cubans proposed a trade agreement, that the Bahamas become a refuelling stop for its national Cubana Airlines, and offered educational, housing construction, oil drilling and search assistance.

This is the second statement in six days by the Action Group, an arm of the official opposition Free National Movement, concerning the recent talks between Deputy Prime Minister and Minister of Foreign Affairs Clement Maynard and his Cuban counterpart, Isidoro Malmierca Peoli in Nassau.

Last August, Mr Maynard went to Havana, where he initiated talks with the Cuban Foreign Minister on matters of mutual interest.

In a press statement last Tuesday, Action Group Chairman George Wilson expressed "concern" over the "apparent revived friendliness and cordiality" between the Bahamian and Cuban governments.

PLP Chairman Sean McWeeney Thursday night criticized Mr Wilson for making such a statement, declaring that if the Action Group Chairman can speak to the FNM leadership after his "humiliating" treatment recently, he sees no reason why the Government cannot talk to the Cubans.

"The reluctance of the Bahamian Government to give an open and full disclosure to the Bahamian people of the true nature of talks now held on two occasions in both Havana and Nassau, gives the Bahamian people a legitimate cause for fear that there may exist a secret agenda between the Pindling and Castro governments," the Action Group said today in a second statement.

"The Action Group finds it suspicious that both sessions of talks between the Bahamas and Cuba were followed by only a deafening silence," the statement said.

"The Bahamas is a flourishing democracy, Cuba, a totalitarian dictatorship," the Action Group said. "While Cubans may not have the right to enquire or know what their Government has negotiated on their behalf, Bahamians do have this right and do demand answers."

It demanded a removal of the veil of secrecy surrounding these on-going talks between the governments of Cuba and the Bahamas and challenged the Ministry of Foreign Affairs to deny the following:

- That the Cubans propose that the Bahamas become a refueling stop for Cubana Airlines;
- That the Cubans have offered the Bahamas an educational assistance scheme similar to the scheme implemented in Jamaica and Grenada;
- That the Cubans offered technical know-how and assistance in low cost housing construction;
- That the Cubans want to render assistance on the Bahama Banks in the search and drilling for oil;
- That the Cubans want trade agreements that would assist them in obtaining US dollars and other western currencies.

"We await answers on these along with whatsoever proposals were made to the Cubans by our Government," the Action Group said.

PLP on Talks

Nassau THE TRIBUNE in English 7 Apr 86 p 10

[Article by Anthony Forbes]

[Text]

PLP Chairman Sean McWeeney said Thursday night that if Action Group Chairman George Wilson can speak to Official Opposition Leader Kendal Isaacs after being "kicked....and humiliated" by the FNM's leadership, then the Bahamian Government "must be able to speak to" the Cuban Government.

Addressing a mini-rally at the Timothy Gibson Primary School in the St Agnes Constituency Thursday night, Sen McWeeney also criticized the FNM for inferring from Prime Minister Sir Lynden Pindling's recent call for PLP's to get registered by June that a general election would be called that month.

The PLP Chairman noted that Mr Wilson had criticized the Bahamas Government over the visit by Cuban Foreign Minister Isidoro Malmierca Peoli two weeks ago for talks with Deputy Prime Minister Clement Maynard, Minister of Foreign Affairs and Tourism, on matters of mutual interest.

"And his reasoning was that the Bahamian Government should still be vex with the Cuban Government because of events that happened sometime ago," he said. "And I thought, putting aside the greater issues, that it seemed strange that George Wilson of all people, would be complaining about people who had not been speaking to each other, speaking again."

"Because here is a guy, George Wilson, just two or three weeks ago, I am not talking about events and incidents of five or six years ago between the Bahamians and Cubans, events of just a few weeks ago, in which George Wilson was kicked in the....by the leadership of the FNM, was treated in the most humiliating fashion," Sen McWeeney said.

"He was a senior member of the Free National Movement's hierarchy, he let a little young outsider like Rodney Moncur, who joined the FNM two days before, win a branch election against George Wilson, who has been with the FNM all these long years," he said.

"And he ran then with his tail between his legs and said that is all he's got to do with the FNM," Sen McWeeney said. "A few days later he shows back up, crawls back into the bosom of the FNM and has the nerve, has the unmitigated audacity to criticize the Government for speaking to people whom he says they shouldn't be speaking to."

"Well if George Wilson can speak to Kendal Isaacs after what Kendal Isaacs and the rest of the FNM has done to him, then I say the Bahamian government must be could speak to the Cubans."

At a press conference on Tuesday, Mr Wilson expressed the concern of the Action Group about the "apparent revived friendliness and cordiality" between the Bahamas and Cuban Governments and declared that it will oppose any attempt to establish a Cuban Embassy in Nassau.

He said that the "attitude of long lost brothers" displayed between Foreign Minister Clement Maynard and his Cuban counterpart Isidoro Malmierca Peoli, was "an affront" to the memory of the "heroes" of the May 10, 1980, sinking by Cuban jets of HMBS Flamingo, in which four Bahamian marines were killed.

Mr Wilson also questioned the level of sincerity that exists in an agreement between the Bahamas and Cuban governments relating to "full cooperation in the interdiction of drug smugglers when recent events prove both governments benefitted so handsomely."

The Bahamas Information Services (BIS) reported that the March 26-27 Bahamas-Cuban meeting was a follow-up to meetings initiated in Havana, Cuba, in August, 1985, when Mr Maynard visited the Communist island to the south of the Bahamas.

BIS said the two delegations discussed matters of mutual interest, including delimitation of maritime boundaries between the two countries, fisheries, sporting and cultural matters, the importance of establishing contact at the official level to minimise the risk of confrontation and misunderstanding, and avoidance of armed attack and incidents such as the sinking of HMBS Flamingo on May 10, 1980.

The two Ministers also exchanged views on cooperation and ways of combatting international drug trafficking and terrorism.

Diplomatic relations between the Bahamas and Cuba were established in 1974 and both countries have agreed to maintain Ambassadors at the non-resident level.

Sen McWeeney said that the "second crazy thing" said by the FNM in recent Bahamian history was its comments on the Prime Minister's call for PLP's to register by June.

"Prime Minister, I don't think you are aware of this. I think you were away at the time. The Free National Movement, virtually as soon as the Prime Minister left the country on Government business, issues a statement and says that we are going to have elections in June, and that if the PM doesn't call elections in June, they are going to start raising hell in the streets. Peoples' Power is what they talked about," he said.

"And they said.....they declared as the basis for this bizarre reasoning, some statement that the Prime Minister made at a Progressive Liberal Party mini-rally when he said to PLP supporters...only PLP's were there...he said to PLP supporters that they should try to register by June," Sen McWeeney said.

"The FNM acknowledged in their statement that that is all that the Prime Minister had said, but they inferred from that, they implied from that something which no one else had implied or inferred," the PLP Chairman said.

"They said that when the Prime Minister told PLP's that they should endeavour to register by June, what that meant was that he was calling elections in June," he said. "Well what kind of nonsense is that?"

"Kendal Isaacs has been telling his people day after day to register. Kendal Isaacs as Leader of the FNM has told FNM's to register today. Does that mean elections are going to be held today? The Prime Minister is Leader of the Progressive Liberal Party. He was speaking to PLP's," he said.

"You see, the Prime Minister as Leader of this party and as Prime Minister, has an advantage, a constitutionally-sanctioned advantage, which the Leader of the Opposition constitutionally and of right does not and cannot have," Sen McWeeney said.

"The Prime Minister knows when he will call elections. The Leader of the Opposition does not know that. And the Prime Minister is Leader of the PLP, just as Kendal Isaacs is Leader of the FNM," he said.

"Now Kendal Isaacs can tell his supporters to register whenever he thinks they should register and he has been doing that," he said. "Lynden Pindling as Leader of the PLP has been telling PLP's when they should register but that doesn't mean elections are going to be held in June."

"You see, the FNM's problem...and all one has to do to verify this is to reconstruct the political history of the Bahamas over the last 20 months and you can see that the FNM goes to an unending series of false starts, they are always hyping themselves up and then burning themselves out, they always set phony target dates for elections and they do it in order to keep up the flagging support of their supporters and that's all," he said.

"But they come with this nonsense that elections are going to be held in June and that unless elections are called in June they are going to take to the streets in a show of Peoples' Power," the PLP Chairman said.

He said that the country has already seen their "pathetic and flacid efforts of Peoples' Power."

"We need to cast our minds only back as far as when the Queen was here to see how pathetically they were able to mount these measly demonstrations," he said. "So that is an idle and pathetic threat which we need have no concern about."

He said that the FNM has been trying as best they could to register as many people as they possibly can.

He said they have started a bus service supervised by Vice Chairman Rudy Penn, which daily takes as many people as they can find, up to Hawkins Hill to get registered.

"And their thinking is that PLP's are working on a different timetable, that we don't intend to register until later on, that we are taking a more leisurely approach to registration," he said.

"So they believe that they can seize the advantage and jump the gun by registering more of their people by June than we can, then believing as they will, that they will have more FNM on the roll than the PLP, that that will give them the leverage to take to the streets in demonstrations and displays of might as they propose to have," he said.

"That's all to it. It's as simple, as transparent and as naive and as uninspired as that," Sen McWeeney said.

He said the Prime Minister did not announce that he intends to call elections in June, nor did he say that elections will be held in June.

"He knows when elections will be held and our job as PLP's is to make sure, as I've said before, that we are in a position of readiness for whenever elections are called," the PLP Chairman said.

"And so if he says, as he has said that we should register by June, let's be registered by June, because we have a Leader and we ought to follow the mandate and we ought to follow the dictates of our Leader, but that doesn't mean that elections are going to be held in June," Sen McWeeney said.

Pindling Slap at FNM

Nassau THE TRIBUNE in English 11 Apr 86 p 1

[Article by Anthony Forbes; for other coverage of the results of the Bahamian-Cuban talks and Prime Minister Pindling's response to FNM concerns about the talks, see pages S1-S2 of the Latin America DAILY REPORT FBIS-LAM-86-071 of 14 April 1986.]

[Excerpts]

PRIME Minister Lynden Pindling, addressing hundreds of supporters in Opposition Leader Kendal Isaacs' Delaporte constituency, accused the Free National Movement of being "two-faced" for condemning Government's talks with Cuban officials last month while a prominent FNM law firm represented Cubans before the Bahamas courts.

Moreover, said the Prime Minister, the firm of Bostwick & Bostwick of Yamacraw MP Mrs Janet Bostwick and her husband, J Henry Bostwick, FNM, Senate Leader, represents the Cubans in the Bahamas.

"I don't know how out of one side of their mouth, the FNM could say that the Bahamas Government should not talk with the Cuban Government and out of the other side of their mouth, they take the Cubans' money to represent them in the Bahamas. I can't understand them," he said.

"Every time a Cuban boat is arrested in the Bahamas, the first man show up is Henry Bostwick," the Prime Minister said. "It's not OK to talk to them to avoid trouble, but it is OK to get their money. I don't understand these two-faced people.

The law firm of Bostwick & Bostwick said today that it is not and has never been retained by the Cuban government or any of its agencies.

Mr Bostwick, who speaks fluent Spanish, many years ago started to represent Cuban nationals who wanted someone with whom they could communicate.

"They (the Cuban nationals) must have been pleased with the quality of my service," said Mr Bostwick today, "and thereafter I continued to represent Cuban nationals as they were apprehended from time to time. This applies across the board. I have also represented PLPs, FNMs, Americans and Germans, Englishmen, Colombians, Cuban-Americans - that's my job."

''The whole FNM...two-faced," continued the Prime Minister at last night's mini-rally. "This country is gradually, slowly but surely, seeing just what it takes to put a country together and keep a country together," he said.

"This country is just beginning, bit by bit, slowly but surely, it's coming to realize how many people want to take their country from them. Bit by bit, slowly but surely, Bahamians are realizing that only they can and only they must preserve and keep their own country," the Prime Minister told supporters.

"And PLP's know, and even FNM's know, that the PLP will keep this country safe and sure for them so long as they are Bahamians. They are sure of that. Bostwick knows that he will get his cheque every time he represents one of Castro's boats, every time," he said.

"All I can tell you is that they are a helluva fellas. No wonder the Jerry Curls gat trouble staying in," he said.

FNM Request for Details

Nassau THE TRIBUNE in English 17 Apr 86 pp 1, 14

[Text]

THE FNM Action group sent a telegram to Prime Minister Pindling this morning asking for details about the March 26 meeting with a Cuban delegation in Nassau.

"As Bahamian citizens," said Action Group's telegram, "we feel we have the right to know the substance of the ongoing talks between your Government and the Government of Cuba."

They asked for an answer to the following questions;

"(1) On what initiative did these talks begin?

"(2) Why is your government afraid to inform the Bahamian people of the agenda that you and the government of Cuba talked about?

(3) If you say, you are drilling for oil in an area very close to Cuba what agreements did you and the Cubans come to in the event you find oil?

"(4) What guarantees, if any, did the Cuban government give you that they will not attack Bahamians again in Bahamian territory or terrorize Bahamian citizens in our Family Islands?

"We would appreciate your answers to these questions and those put to your government earlier that you refuse to answer," said the telegram.

A high level meeting between the Ministry of Foreign Affairs, Economic Affairs, Agriculture and Fisheries, the legal department and a Cuban delegation was opened by Foreign Affairs Minister Clement Maynard on March 26th.

A government statement after the meeting said that the two delegations discussed matters of mutual interest, including delimitation of maritime boundaries between the two countries, fisheries matters, sporting and cultural matters, and the importance of establishing contact at the official level to minimise the risk of confrontation and misunderstanding between the Bahamas and Cuba.

It was to avoid "armed attack such as the case of HMBS Flamingo," added the official government statement.

The talks lasted two days and according to FNM Action Group leader, George Wilson Governemnt has "not given an open and full disclosure of the talks held at their two meetings in Nassau and Havana."

He said that this gives the Bahamian people a legitimate cause for fear that a secret agenda may exist between the Pindling and Castro governments. In a press statement given at the beginning of the month Mr Wilson expressed concern about the "apparent revived friendliness and cordiality" between the two governments.

''The Bahamas is a flourishing democracy, Cuba a totalitarian dictatorship. While Cubans may not have the right to enquire or know what their government has negotiated on their behalf,' Bahamians do have that right and do demand answers,"said Mr Wilson.

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CSO: 3298/420

GOVERNMENT TO CONDUCT SURVEY OF NATION'S LABOR FORCE

Nassau THE TRIBUNE in English 25 Mar 86 pp 8, 12

[Text] THE Department of Statistics will conduct a Labour Force Survey for the Bahamas during the month of May.

To finalize the planning of this survey, a pilot survey was conducted from March 3 to 7. The purpose of this survey will be to pre-test all phases of the May operations, including the questionaire, sample design, field operations, cost function, and the like.

During the pilot survey, enumerators collected information on all persons 15 years of age and older in households selected at random. Information was sought on age, sex, marital status, occupation, industry, number of hours worked, duration of employment, etc.

The compilation of this data will provide information on the characteristics of both employed and unemployed persons. In addition, it will furnish a number of derived statistics such as participation and unemployment rates. The Labour Department said this information is essential for manpower planning and for making projections of industrial and occupational demand for and supply of labour.

"Knowledge of the characteristics of the labour force will enable Government and other users of the data to assess needs and to develop programme goals and objectives aimed at optimizing scarce human resources."

Households in the following areas were surveyed during the pilot study: Golden Gates, St Barnabas, St Agnes, Grants Town, Highland Park, Boyd Subdivision, Big Pond, Regency Park, Blair Estates and areas off Village Road.

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CSO: 3298/420

HAITIAN IMMIGRANTS CONTINUE TO STIR ATTENTION

Bimini Roundup

Nassau THE TRIBUNE in English 8 Apr 86 pp 1, 8

[Text]

A TOTAL of 16 people suspected of being illegal immigrants were arrested in raids by over 40 uniformed Strike Force, Defence Force and Immigration officers on Bimini and Cat Cay today, according to a Bimini source.

Director of Immigration Barbara Pierre, Royal Bahamas Defence Force Commodore Leon Smith and a senior police officer were present.

One Bahamian-born of Haitian parents was reportedly arrested and released three times in several days despite having his Bahamian passport on him each time. He is reported to have quit his job in preparation for leaving the country after being arrested again today.

Reportedly among today's arrested were eight Haitian men, four Haitian women and another three Jamaican women. One of the Jamaicans released into the custody of her husband. A young American man working with an American company handling the Bimini Bay project was also arrested.

Reports came in this morning about camouflaged and armed Strike Force officers carrying out a raid on Bimini alongside blue-uniformed Defence Force officers and Immigration officials. Later this afternoon the streets of Alice Town and Bailey Town, Bimini were still being patrolled by officials. Some officers wore holstered pistols while others carried machine guns, it was reported.

At court hearings following the raids, several persons were sentenced to a month in prison but were told they would be released earlier if they could come up with their passage back home, the Bimini source said. It is understood that those not yet tried were given until tomorrow morning to produce required documentation.

Ban on Haitian Leader

Nassau THE TRIBUNE in English 10 Apr 86 p 1

[Article by Anthony Forbes]

[Excerpt]

PROMINENT Haitian political leader Bernard Sansaricq *said today the Bahamas* Consulate in Miami refused to give him a visa to enter the Bahamas for talks with Prime Minister Lynden Pindling.

Mr Sansaricq was expected to arrive at 8am yesterday by Chalk airlines to discuss the plight of Haitian immigrants in the Bahamas with the Prime Minister. However, while talks were planned with Sir Lynden, Minister of National Security Loftus Roker ordered new raids at Bimini and Cat Cay this week to round-up all illegal immigrants there, most of them Haitian. Twenty-one Haitians were arrested in this latest raid. On February 20 the Immigration Department, joined by the Defence Force and Police, arrested over 265 Haitian men, women and children. The adults and infants are still in HM Prison Fox Hill awaiting deportation to Haiti. The older children, separated from their parents for the past two months, are held in the Boys and Girls Industrial schools.

Mr Sansaricq, who led an abortive invasion on Haiti in 1982, said he had received an invitation from Sir Lynden to come to Nassau for talks through his Bahamas representative, Mr Marcel Damas, a member of the Parti Populaire Haitien Nacional. Mr Sansaricq is the leader of Parti Populaire.

Mr Sansaricq, who has lived in exile since the early 1960's, the last four years in Costa Rica, emphasised that he was only coming to the Bahamas to try to help with the Haitian problem. He said he has nothing against the Prime Minister or the Bahamas Government.

It has been reported that Sir Lynden had invited Mr Sansaricq - who claims his party has the largest number of sympathisers in Haiti with the chance of becoming the next government - for talks on the Haitian problem in an effort to resolve the matter as quietly as possible.

However, the day before Mr Sansaricq was to have arrived in Nassau, the Ministry of National Security, which is in charge of Immigration, sent a contingent to Bimini to make the arrests.

National Security Minister Loftus Roker admitted in a ZNS interview following a large public outcry over the February 20th round-up that he had not told the Prime Minister about the raid before it was carried out.

Mr Roker also made it clear during the March interview, broadcast over ZNS Radio and TV-13, that the Prime Minister could not interfere with the manner in which he executed his ministerial duties.

However, it was reported that Mr Roker had given US Ambassador Dr Lev Dobriansky two days advance warning of the pending raid.

Mr Sansaricq, in a telephone interview with The Tribune today, said he had spent all Tuesday afternoon at the Bahamas Consulate in Miami. He saw two women there who told him he could not get a visa to enter the Bahamas. He was told that they had to get direct word from the Prime Minister before they could give him a visa.

He said he tried again Wednesday to get a visa, but again he was told the same thing.

"They said it had to be the Prime Minister in person who have to tell before they could give me a visa," he said. "I was not coming there (to the Bahamas) to be an embarrassment for the Bahamian Governmment or anything," he said. "I am very strongly for law and order and for consultations.

"I was coming to talk to him and to tell the Haitian people that the Haitian problem was not caused by the Bahamian Government but by Duvalier who is in France with his $650 million," Mr Sansaricq said.

Asked whether he had any indication or explanation from anyone as to why the meeting with the Prime Minister had been cancelled, Mr Sansaricq said: "Whoever I saw did not explain why."

"I do not know why. It came as a surprise to me. I do not know why it was cancelled."

He said that about two or three weeks ago, the "Prime Minister got in contact with my representative in Nassau, Marcel Damas, that he wanted to have a talk with me in connection with the Haitians in the Bahamas."

He said word was later sent to him through Mr Damas that the Prime Minister was going to Costa Rica to attend a bank meeting there. However, because the Prime Minister was in the Central American nation for such a short period, Mr Sansaricq could not meet with him.

"I definitely was coming to try to help solve the problem," said Mr Sansaricq who returns to Haiti on Saturday to ready his party for whenever elections are called.

He said the Haitian consulate in Miami has given him a visa to enter Haiti. He has also had indirect contact with the leaders of the new government in Haiti.

Referring to the Haitian problem in the Bahamas, Mr Sansaricq said: "It has to be a two-way solution. I was going to talk to the Bahamian Government first, then I was going to talk to the Haitian Government."

He noted that the governments of the Bahamas and Haiti have signed the Human Rights Charter and massive expulsions are against the Charter. (It is understood that the Bahamas has not signed the UN Charter).

"The Haitians left their country as political and economic refugees and it is because of the political situation and the economic problem (that it) came about," he said.

"The Haitian Government should work with the Bahamian Government to get the people back to Haiti and settle them," he said. "This was the whole purpose of my mission."

[On the same page, THE TRIBUNE reports that "a Haitian boat captain was fined $500 this afternoon by Magistrate Joseph Alfred for entering the Bahamas without a Bahamian visa and health certificate while his seven member crew were each fined $200 for the offences."]

Haitian Government Cooperation

Nassau THE TRIBUNE in English 11 Apr 86 p 1

[Article by Dan Sewell]

[Text] Coral Gables, Fla. (AP)--Haiti's new authorities have said they will cooperate with the Bahamas in that archipelago nation's controversial efforts to repatriate illegal Haitian aliens, the Bahamas' foreign minister said today.

"There hasn't been enough time to say too much, but the new government has said they are prepared to cooperate," Clement Maynard, who is also the deputy prime minister, said in an interview.

Maynard said arrangements have been made to send some Haitians back this weekend, and that the Bahamas government expects soon to return all 280 Haitians being held in Fox Hill Prison in Nassau.

Haiti's military-civilian junta recently sent a new ambassador to the Bahamas. The junta is governing Haiti in the aftermath of the Feb 7 ouster of President Jean-Claude Duvalier, whose family had ruled the Caribbean nation for 28 years.

Only about 200 Haitians have been returned to their impoverished homeland since last September, when the Bahamas government announced a crackdown on the estimated 40,000 Haitians living in the Bahamas, a nation of some 275,000 residents.

"It's a very sticky issue. Many Haitians want to get away from their country because there is little economic opportunity there," Maynard said. "But most Bahamians are quite supportive of the action to ease the burden on our society. We're just too small to try to assimilate that number of people there illegally."

The government last September ordered all Haitians to register, but only 9,000 complied.

"When we find that they're breaking the law, we will gather them up and send them back," said Maynard, who was here to address a business group.

Opposition politicians in the Bahamas and Haitian exiles in Miami staged demonstrations following a February roundup by Bahamian Defense Force Marines of some 265 Haitians, including 43 small children and babies, on the islands of Cat Cay and Bimini.

Soon afterward, a Haitian purse-snatching suspect, 22-year-old Freddie Etienne, died in police custody.

"Our system is exactly the same as the United Kingdom's on that. It is a matter for the police and courts. A coroner's inquest has begun (into the death)," Maynard said.

The slaying of an elderly Haitian woman last week during an apparent robbery in the Bahamas brought charges here that the Bahamas crackdown on Haitians has left them vulnerable to criminals because as illegal immigrants they are afraid to call police.

"I've heard that mentioned, but nothing specific," Maynard said. "I suppose the potential is there. That's another reason why we don't want people in the country underground. It leads to these kinds of problems."

The Rev Gerard Jean-Juste, a leader of Miami's Little Haiti community, said the "government is attacking Haitians, so the thugs are following in the government's footsteps."

He warned that violence is likely to increase if the Bahamas government steps up roundups and deportations.

"Usually when you have violence, there is going to be more violence," Jean-Juste said.

FNM-Sansaricq Meeting

Nassau THE TRIBUNE in English 12 Apr 86 pp 1, 12

[Article by Anthony Forbes]

[Excerpts] FNM Action Group Chairman George Wilson and exiled Haitian political leader Bernard Sansaricq today described their meeting in north Miami Friday as "fruitful" and said it would help find a solution to the Haitian problem in the Bahamas.

Mr Wilson, who flew to Miami yesterday for talks, which lasted 2-1/2 hours, returned to Nassau this morning. He said he and Mr Sansaricq agreed to enlist the services of the churches and the governments of the Bahamas and Haiti in solving the problem.

He said they agreed to call on the United Nations international agencies to assist in the repatriation of Haitians from the Bahamas, Turks and Caicos Islands, the United States and the eastern Caribbean, while Mr Sansaricq proposes to establish a Repatriation Centre in Haiti for the returnees.

"I thought the meeting went very well and I think that a bond has been established between us," said Mr Wilson of his talks with Mr Sansaricq who returns to his impoverished homeland today after more than 20 years of exile and two months after the fall of ex-President-for-Life Jean Claude Duvalier.

"There are a group of Haitians (in Miami) who do not approach matters with the reasonableness of Mr Sansaricq and who talk about demonstrations against the Bahamas, but I am satisfied that Mr Sansaricq's influence is the dominating influence in the Haitian community," Mr Wilson said.

Mr Sansaricq, who claims his Parti Populaire Haitien Nacional has the most supporters in Haiti, told The Tribune from Miami this morning: "The meeting went very well."

"In light of what happened with the Prime Minister (the denial of a visa to enter Nassau for the talks), the meeting was very fruitful," he said. "Mr Wilson gave me a briefing of the situation in the Bahamas and promised to do all he can to alleviate the problem."

"I feel Mr Wilson is very concerned about the problem and I think that he can help. I gave him my position," he said.

Mr Sansaricq, who was criticized by Holy Cross MP Charles Carter at a PLP mini rally Thursday night for statement that a mass expulsion of Haitians from the Bahamas could incite feelings against the Bahamas government, said that there he has been informed that the Haitian Minister Counsellor and Charge d'Affaires, Evans McFarland Francois, has been preparing visas for the Haitians to leave.

"This is an understanding we had and since then there has been no report to the contrary," Mr Sansaricq said.

Roker Position

FL161432 Bridgetown CANA in English 2125 GMT 15 Apr 86

[Excerpts] Nassau, 15 Apr (CANA)--The appointment of a new Haitian envoy following the overthrow of former President Jean-Claude Duvalier has opened the way for what the Bahamas Government hopes will be the repatriation of thousands of illegal Haitian immigrants.

Evans McFarland Francois, formerly first secretary attached to Haiti's permanent mission to the Organisation of American States (OAS), has been named minister counsellor and charge d'affaires of the Haitian Embassy in Nassau, replacing Duvalier appointee Max Charles, who has recalled 14 March.

The first order of business between the Bahamas and the new government of President Henri Namphry is expected to be the early return of 260 Haitian men, women, and children who were arrested 20 February by Bahamian immigration authorities in a surprise raid on the Island of Bimini.

Detention of the Haitians, including 142 children, under what the Catholic bishop to the Bahamas described as subhuman conditions, has become a source of considerable embarrassment for Prime Minister Lynden Pindling's government.

Defending his actions in a national television broadcast, Security Minister Roker said that despite a treaty signed last September, the Bahamas and Haiti could never arrive at an agreed method of repatriation because Haiti was unwilling to take back its people. The Bahamian Government estimates there are 40,000 Haitians living here illegally.

The minister intimated that he acted in an attempt to force the Haitian Government to come to grips with the issue of illegal migration. I believe that the more international attention which is focused on this problem, the more all parties concerned must act responsibly, he said.

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CSO: 3298/402

BOLIVIA

TROTSKYIST INFILTRATION AT UNIVERSITY REPORTED

PY181616 Paris AFP in Spanish 0312 GMT 18 Apr 86

[Text] La Paz, 17 Apr (AFP)--Bolivian Information Minister Hernan Antelo stated here today that Trotskyist groups that have infiltrated the Greater University of San Andres (UMSA) in La Paz, are seeking to oust the democratic government.

Antelo said that groups of workers and university students intend to use the death of a worker to justify their subversive actions.

Yesterday, textile worker Marcelo Kenta died of injuries he suffered some days ago, when he was hit in the face by a tear-gas cannister. The Bolivian Labor Confederation (COB) and the Textile Workers Federation have invited all sectors to attend Kenta's funeral tomorrow.

In view of the possibility of clashes between the police and demonstrators, Minister Antelo said that the government will act according to its principles and will severely and firmly impose the law. Antelo said that the government will act according to its principles and will severely and firmly impose the law. Antelo added that education and salary problems were used earlier as weapons to attack the government, and now the death of a worker is being used.

Meanwhile, the COB has announced the suspension of all activities tomorrow so that the people can attend Marcelo Kenta's funeral, and decided to have outdoor masses read in the interior of the country.

COB leader Juan Lechin Oquendo has reported that this labor organization will prosecute Interior Minister Fernando Barthelemy for the worker's death.

/8918
CSO: 3348/525

FOREIGN MINISTER DISCUSSES ECONOMIC PLAN, RECOVERY PROSPECTS

PY122356 Buenos Aires CLARIN in Spanish 9 Apr 86 p 34

[Report on interview granted by Bolivian Foreign Minister Guillermo Bedregal Gutierrez to Reporter Susana Colombo on the occasion of the River Plate Basin meeting in Buenos Aires on 3 April]

[Text] Bolivia managed to attain an "inflation zero" level through an economic plan that has upset the social state. This was shown once again yesterday by the strike and mobilization that--as has happened many other times--ended with strict police intervention.

Did President Victor Paz Estenssoro's democratic administration take into consideration that it would have to resort to different forms of repression to be able to put into practice and maintain economic measures that would have negative effects on the workers' salaries and stability?

The question was asked by CLARIN to the Bolivian Foreign Minister Guillermo Bedregal Gutierrez during an interview in Buenos Aires, where he participated in the meeting of the River Plate Basin foreign ministers last weekend.

Bedregal Gutierrez served as planning minister until last January, and he was responsible for implementing the government's economic package, which the government has been carrying out inflexibly "in order to return the country to reality."

"The repression was certainly not planned--the minister answered--but the need to recover and retain the government authority was taken into consideration. In this manner we meant to put an end to the unusual circumstance of authority substitution observed in the last few years. The labor union leadership had been exerting pressure to order general strikes which were illegal because the legal steps for conciliation and arbitration were not complied with previously, according to our laws. The illegal strikes have cost too much and the government's first obligation is to act as an authority."

While Minister Bedregal was in Buenos Aires, the Bolivian Government decided to dismiss 75,000 teachers because of a teachers' strike for better salaries: they were earning about $20 a month.

The minister pointed out that the "journalistic imagination" often transmits false information about exaggerated chaos and agitation in Bolivia. "This exaggeration has become common practice," he said, adding that "only 38,000 teachers were dismissed and not 75,000."

However, he admitted that "when applying an economic shock policy a stage of recession always follows," adding that "there is no method in Latin America for avoiding the current painful stage we are going through. Unfortunately, our plans were delayed because of Bolivia's poor economic situation, a consequence of the downfall of the tin prices, which dropped by a third, on the international market."

"Our main objective when designing the economic plan was to curb inflation, which was the fourth highest in history; we sadly attained that record."

Bedregal then turned sullen when referring to the prices of raw materials which are seriously low. This represents a heavy blow to the Bolivian economy.

"Does this mean that the Bolivians will still have to endure more sacrifices than were expected in order for the government to comply with its economic objectives?

"This means we must substantially modify our economic plan. These changes are related to the negotiations we are holding with the IMF, which are yet not concluded."

By means of "a hard line" the Paz Estenssoro administration managed to start complying with the basic requirements demanded by the IMF to start these negotiations.

"The main request we still have to comply with--Bedregal said--is to reduce our deficit. We intend to do this by means of revenue to be collected under the new tax law. This bill is in Congress and it will undoubtedly be approved because the need for its approval is part of the historical agreement we reached with the Nationalist Democratic Action Party [ADN] of General Banzer."

During the first 8 months of his administration, Paz Estenssoro decided to heed the demands of the creditors although we must still solve the problem of ceasing payments to the foreign private banks. He worked out an agreement with the ADN--which is the party that could have exerted the most resistance in Congress on account of its many representatives--to support him on this issue.

"The agreement with the ADN--Bedregal said--is in the national interest because Bolivian history has shown that the opposition always is radical toward anti-democratic actions; with this pact for democracy we will progress toward stability."

"But, can a country be considered as stable if it is upset by strikes and inhabited by an ever increasing number of unemployed people and workers who can barely survive on their frozen salaries?"

"But, can a country be considered as stable if it is upset by strikes and inhabited by an ever increasing number of unemployed people and workers who can barely survive on their frozen salaries?"

"The important thing is to avoid adopting palliative measures that would encourage the unleashing of hyperinflation again," the minister said.

"How long are you asking the workers to wait for wage improvements?"

"We have set a term to review the salary system of the public sector, and it will expire in June. Through our tax reform we expect to solve, to some extent, the salary problem, and at least grant an emergency increase."

This is the first stage, which is difficult.

Bedregal, however, believes that with the government plan, a much longer term will elapse before recovery, an unthinkable long term for those who suffer the most from these shortages. He said: "We need 5 years to begin our growth. Nothing less than that."

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CSO: 3348/525

COB ANNOUNCES 'ESCALATION OF UNION STRUGGLE'

PY180001 Madrid EFE in Spanish 0324 GMT 17 Apr 86

[Text] La Paz, 16 Apr (EFE)--Eduardo Siles, a leader of the Bolivian Labor Confederation (COB), today announced an escalation of the union struggle following the death of worker Marcelo Kenta Ortiz, who was wounded a week ago by a tear gas cannister fire by the police during a demonstration.

Last week the police harshly repressed workers and students demonstrations because of confrontations and the barricades that were erected, in protest of the government's economic policy and its refusal to increase teachers' salaries.

Information Minister Hernan Antelo today stated that the government laments the death of the worker and stressed that everything possible was done to save his life.

Kenta is the first person to die as a result of police action during a demonstration since the military governments regime, in other words, since before 1982.

Tomorrow, the COB will hold an urgent meeting to study measures for adoption. The COB is preparing a large demonstration for the day of Kenta's burial, which will probably be 18 April.

Walter Delgadillo, the COB's secretary general, today asked that symbolic burials take place at the same hour in all other cities. He also announced that he will bring charges before the courts against the policemen that repressed the demonstrators and against interior minister, "the intellectual author of the death."

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CSO: 3348/525

BOLIVIA

BRIEFS

THREATS TO DEMOCRACY WARNING--La Paz, 20 Apr (EFE)--General Hermes Fellman Forteza, the commander of the 7th Division, has warned that the Bolivian democratic process is in danger in view of the series of attacks that are being launched by union and political sectors seeking the fall of the government. General Fellman, whose units are based in Cochabamba [center of Bolivia], today told to the newspaper HOY that labor organizations are promoting actions against the democratic government. Fellman Forteza, who was labor minister during the military government of President David Padilla Arancibia (1978-1979), said that workers are seeking the fall of democracy and the establishment of a de factor government. He also expressed his concern over the demonstrations and clashes that are taking place throughout the country, protesting against the economic policy of the Nationalist Revolutionary Movement [MNR] government. According to the newspaper HOY, Gen Fellman has appealed to the good sense of union leaders to avoid extreme situations which may again frustrate the democratic hopes of Bolivians. [Text] [Madrid EFE in Spanish 0034 GMT 21 Apr 86 PY] /8918

KARACHIPAMPA WORKERS REPORTEDLY DISMISSED--La Paz, 26 Apr (AFP)--Trade Union Federation of Bolivian Mineworkers (FSTMB) leaders today reported in La Paz that all the workers and technicians of the Karachipampa smelting plant, in southern Bolivia, were dismissed by executives of the state-owned enterprises. Four hundred fifty people were dismissed. They were informed that because the plant is not operating, employees are being dismissed until the plant opens again. It was mentioned, however, that not even a tentative reopening date is known for the Karachipampa plant. [Text] [Paris AFP in Spanish 1332 GMT 26 Apr 86 PY] /8918

CSO: 3348/525

SEVEN LEFTIST GROUPS ANALYZED

PY291941 Rio de Janeiro O GLOBO in Portuguese 27 Apr 86 p 8

[Excerpts] Ever since the 1985 elections, in which the Workers' Party [PT] led by Luis Inacio da Silva (Lula) won the mayoralty in the capital of Fortaleza (Ceara State) and secured 20 percent of the Sao Paulo electorate, the internal discussion has continued on how to coexist with, control, the members of the leftist organized groups that are part of the PT membership.

Seven leftist groups, or clandestine leftist parties, are grouped under the red-star flag of the PT. Three of them have a Marxist-Leninist base: The Brazilian Revolutionary Communist Party (PCBR) to which the Salvador (Bahia State) bank robbers belong; the Communist Revolutionary Party (PRC), which publishes the newspaper BUILDING TOMORROW (FAZENDO O AMANHA) and whose most illustrious member is Federal Deputy Jose Genoino Neto; and the Revolutionary Communist Movement (MCR), which is the newest and smallest of the three. The other four groups follow the Trotskyist line: the Socialist Convergence (CS) which publishes the newspaper SOCIALIST CONVERGENCE; the Socialist Democracy (DS) which puts out the newspaper IN TIME [EM TEMPO]; the work group, formerly known as Freedom and Struggle (LIBELU), which puts out a newspaper with the same name; and the Labor Cause group.

In all, the seven organizations cannot claim 3,000 members throughout the entire country--a very small number for a party like the PT which now has 500,000 members and sympathizers, and which in the 1985 elections obtained 1.4 million votes in 21 states. Nonetheless, the organized leftists currently control 35 percent of the PT National Directorate; command several regional directorates, including Pernambuco, Para, and Rio Grande do Sul, for instance; and control 20 percent of the PT municipal directorates. One of the original independent founders of the PT said: "They are managing to control the party apparatus by sending their members to all the party conventions, where they end up being elected delegates and taking over directorates. These leftist groups do not have bases in the party nor do they have the votes of sympathizers of the PT, which was originated among the popular movements. Workers, housewives, and church-going people are the real PT members."

It is certain that the problem of the clandestine leftist parties operating under the PT banner will be one of the main topics at the meeting of the PT National Directorate that is scheduled for 2, 3, and 4 May in Sao Paulo.

Here is a short description of seven leftist organizations that are part of the PT membership:

1. Brazilian Revolutionary Communist Party (PCBR)--defends "revolutionary violence," armed insurrection, and believes that clandestinity is essential to its survival. Its membership numbers less than 200 throughout the country. It has influence in Pernambuco, Bahia, Santa Catarina, and Parana states. Its best known leader is Bruno Maranhao, the PT president in Pernambuco who was defeated as the party's candidate for the state government in 1982. Bruno Maranaho, like the other members of the PCBR, never admits his membership in this group, which has representatives in the PT National Directorate.

2. Communist Revolutionary Party (PRC)--The largest and best organized clandestine party within the PT, with nearly 500 members. It is quite strong in Rio Grande do Sul, Sao Paulo, Bahia, Ceara, and Para states. It advises its members not to admit their membership in this group. This is why Federal Deputy Jose Genoino Neto, according to reports from PT leaders, always denies that he belongs to the PRC, which has more than one representative in the PT National Directorate.

3. Revolutionary Communist Movement (MCR)--founded in 1985, a merger of the red wing of the Communist Party of Brazil (PC of B) with the Proletariat Emancipation Movement (MEP) and the Proletarian Democracy (DP). It has just over 150 members, concentrated in Sao Paulo, Rio de Janeiro, Bahia, and Santa Catarina. It is represented in the PT National Directorate. Within the PT, the MCR acts together with the PRC and the PCBR.

4. Socialist Convergence (CS)--a legally registered group of nearly 300 members. Some of its members are municipal councilmen, like Ernesto Gradella in Sao Jose dos Campos. It controls several labor unions, among them, the Metals Workers of Belo Horizonte (Minas Gerais) and the bank employees of Rio de Janeiro. It coordinated the nationwide bank employees strike in 1985. This is the only group that has no representative in the PT National Directorate. The CS follows the orientation of the International Committee of the Fourth International.

5. Socialist Democracy (DS)--has approximately 300 followers and follows the orientation of the Unified Secretariat of the Fourth International whose main ideologue is the Belgian economist Ernest Mandel. The DS has important cells in Rio de Janeiro, Sao Paulo, and Porto Alegre. It maintains branches in Natal (Rio Grande do Norte), Belo Horizonte, Vitoria (Espirito Santo), Florianopolis (Santa Catarina), and Goiania (Goias). One of its main leaders is Raul Pont from Rio Grande do Sul, who was the PT candidate for mayor of Porto Alegre in the 1985 elections. Pont is secretary general of the PT in Rio Grande do Sul.

6. The Work formerly known as Freedom and Struggle (LIBELU)--has just over 400 activists throughout the country. Initially, this group opposed the founding of the PT, but changed its position in 1980 and joined the PT. This group now believes that the PT represents the first party of masses controlled by workers in the history of Brazil. It commands some labor unions, among them, the Metal Workers of Sao Jose dos Campos.

7. Labor Cause (CO)--the smallest Trotskyist groups within the PT, with close to 150 members. It does not have influence in the labor movement, and limits itself to work within the student movement.

/12913
CSO: 3342/103

BRAZIL

ENVOY TO MEXICO INTERVIEWED ON FOREIGN DEBT PROBLEM

F1072322 Mexico City NOTIMEX in Spanish 2100 GMT 7 May 86

[Text] Mexico City, 7 May (NOTIMEX)--Brazilian Ambassador to Mexico Gererldo Holanda Cavalcati has said that the principal cause of the indebtedness of the developing countries is derived from the policies drawn up by the developed nations.

In an interview published today by the Mexican Daily UNO MAS UNO, The diplomat says that debtors and creditors share the responsibility of the problem of the foreign debt, both as regards the process by which it was built up and in the goals that determined the channeling of the flow of capital of the developing countries.

Brazil is the most indebted country of Latin America, with a foreign debt of $104 billion. It is seeking solutions to this problem not related to the economic guidance of the IMF, he said.

After saying that the burden of servicing the debt is, for the moment, an important recessive factor for the developing world, Holanda Cavalcati said the industrialized countries must realize the contradictions of their positions, because on the one side they want the debt to be paid and on the other they limit all possibility of common growth of the debtor nations, the expansion of their trade, and opportunity to open new markets.

The Brazilian diplomat said that one of the basic causes of the foreign debt of the developing nations is the matter of high interest rates, which especially exemplify the problem because the increase in interest rates has been the result of monetary policies adopted by the central governments of the Western economic system as a function of the domestic economic and financial situation of those countries.

He said there are real solutions to the foreign debt; one of them consists in convincing the developed nations that an economic policy that permits Latin America to have a greater participation in international trade would benefit all. Nevertheless, he said, the debtor nations must also make efforts to strengthen their economies by combatting inflation, promoting investments, and descreasing their fiscal deficit. The Brazilian ambassador to Mexico said that these measures will have to be adopted autonomously and sovereignly to take care of the pecularities of each country; they cannot be imposed from abroad, he said. This would be inadmissable because of matters of national respect, in addition to which they would probably not be the most appropriate and opportune in each separate case.

/12913
CSO: 3348/558

BRAZIL

RAINS BRING FLOODS TO FOUR NORTHEASTERN STATES

Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Mar 86 p 22

[Text] The rains recorded in the Northeast since the start of this month have already caused flooding in four states, driving more than 89,000 people from their homes in 28 cities, including the capital cities of Teresina (Piaui), Fortaleza (Ceara), Joao Pessoa (Paraiba) and Recife (Pernambuco). The information was divulged yesterday in Recife by the Regional Office of Coordination of Civil Defense, an organ of SUDENE (Superintendency for Development of the Northeast), which has already distributed 664 tons of foodstuffs and 3,000 kilograms of medicines, wraps, plastic tarpaulins and mattresses to the flood victims.

In Maranhao, where the situation is most serious, the overflowing rivers have affected 14 cities, leaving 40,470 homeless in the municipios of Pedreiras, Bacabal, Igarape Grande, Santa Quiteria, Sao Bernardo, Pio 12, Paulo Ramos, Caxias, Duque Bacelar and Luiz Gonzaga. SUDENE has dispatched 260 tons of food to the state. In Piaui, 6,500 people have been driven from their homes, in 7 municipios. In Ceara, although there has been leakage from major dams, only Fortaleza was severely punished by the floods. There are about 32,000 homeless in the Ceara capital and it has already received 329 tons of foods from SUDENE. The Regional Civil Defense Coordination Office is forecasting more rain this week, concentrated in the interior of Ceara, in southern Maranhao and Piaui and on the coast of Pernambuco, Alagoas and Paraiba, where floods have already affected the cities of Cruz de Espirito Santo, Gurinhera, Mulungo, Guarabira, Joao Pessoa and Pedra Lavrada.

Pernambuco

In Recife, more than 350 homeless are still sheltered in community centers, victims of the floods that drove 2,000 people from their homes day before yesterday. There were no fatalities and the only injuries were to six members of a family whose hut collapsed in the Alto do Pascoal hill district, in the northern zone. "In 48 hours, we had 175 millimeters of rain,an index which had never before been recorded in the Pernambucan capital," said Colonel Cleiton Cavalcanti, PM [Military Police], aged 42, chairman of the Pernambuco Civil Defense Commission (CODECIPE).

Yesterday, the rain was light throughout the metropolitan region of Recife and was limited to the morning hours. The Meteorological Institute is forecasting more precipitation today as a result of an intertropical mass which is lingering over the northeastern coast, causing a 3-degree [Celsus] drop in temperature, a common phenomenon in this season of the year.

"What surprised us was the violence of the rains that inundated Recife and the neighboring cities of Olinda and Jabotao for more than 10 hours, creating real havoc in the urban areas," declared Col Cavalcanti. Today he is afraid that the combination of the heavy rains and the high tide of 2.6 meters will impede the run-off from the sewers and canals, clogged for decades with debris, mud and brush.

Recife Mayor Jarbas Vasconcelos, aged 43, called the situation in his city "really dramatic," with the arrival of winter. According to the mayor, "nothing of any significance has been done regarding the drainage system in the Pernambucan capital in the last 20 years, and the result [of this neglect] was apparent with the first rains." Vasconcelos has presented SUDENE with a program for the recovery of the capital's six water basins, at an estimated cost of $24 million, and he is waiting for the funds to be allocated. "Meanwhile, we are doing what we can. About 35 men are already working to dredge the canals and another 300 men will be hired for this purpose," Vasconcelos said.

6362
CSO: 3342/100

BRIEFS

GOLD RESERVES UP--Brazil's gold reserves reached 100.1 tons on 31 March 1986, an increase of 3.7 tons in the first 3 months of this year over December 1985. At $359.47 per troy ounce (31.104 grams), the price quoted on the New York market last Friday, the value of the net reserve is $1,157 million. In 1982, when the country experienced an exchange crisis, the government almost depleted its gold reserves, which reached 4.7 tons, the lowest level since the 1960s. Addressing about 50 mining executives, Carlos Eduardo de Freitas, foreign area director of the Central Bank, said yesterday that primitive gold prospecting operations are responsible for 50 percent of the country's gold production, rather than the specialized companies, as he would wish. Freitas said that the 21 large mining companies (national and multinational) are planning to invest $1,445 million in the area from 1985 to 1990. However, one of the mining executives present said this figure was much too optimistic, despite the arrival of some companies from South Africa. [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Apr 86 p 39] 6362

INDUSTRIAL PRODUCTION UP 12.3 PERCENT--Brazilian industry registered a 12.3-percent growth in the first 3 months of 1986; the mining industry expanded by 13.4 percent and the manufacturing industry grew by 12.3 percent, it was announced yesterday by the IBGE (Brazilian Institute of Geography and Statistics), presenting the indicators for volume of industrial production in Brazil in the first part of 1986. The growth in February was 13.1 percent over the same month last year--the same rate registered in October 1985, traditionally a peak month for industrial production. For its part, the annually adjusted rate went from 8.3 percent in January to 9.1 percent in February, equalling, for the first time in recent years, the annual growth levels achieved in 1980. The durable consumer goods and capital goods sectors led the growth in the first 2 months. Television sets, radios and sound equipment were the consumer items which registered the greatest growth in production, with an annually adjusted rate of 33.4 percent, contributing to the 16.9-percent growth achieved in that production sector. IBGE's explanation for these figures is based on the recovery of real wages and the reduction of the income tax withheld at the source, starting in January. The production of capital goods, up 17.2 percent between January and February, had an annually adjusted expansion rate calculated at 12.7 percent. Noteworthy items in that sector were trucks and buses, with a 32.5-percent increase in production. [Text] [Rio de Janeiro O GLOBO in Portuguese 10 Apr 86 p 22] 6362

BANKING REFORM IN 2 MONTHS--"This week has been filled with news of the banking reform, but Bracher has asked me to tell you that nothing will be ready within the next 60 days," Luis Carlos Mendonca de Barros, capital market director of the Central Bank, said yesterday in Sao Paulo, during a luncheon offered in his honor by the Brazilian Association of Leasing Companies (AREL). According to Mendonca de Barros, for the time being there is only the desire--and the conviction of the need--to give some more thought to the financial sector within the new economic picture. According to the Central Bank official, the banking system, which had concentrated its action on passing resources over from the private sector to the state sector, "is now called upon to recycle the money in the private sector itself, supplying resources for the investments that will be needed to expand the production capacity." Mendonca de Barros assured that the changes will be conducted on the basis of dialogue, doing away with the secrecy required for the preparation of the economic stabilization package. Whatever can be done on the basis of current legislation will be discussed beforehand with the financial sector; anything that involves institutional changes will be submitted to the National Congress. [Excerpts] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Apr 86 p 27] 6362

COFFEE EXPORTS--Brazil exported 1,607,410 sacks of coffee last month, earning a record $420 million in foreign exchange. According to advisors of the Ministry of Industry and Commerce, these record coffee exports represented almost half the surplus in the trade balance in March--which should be announced today by CACEX [Foreign Trade Department of the Bank of Brazil]. In the first quarter of 1986, Brazil exported 3,246,808 sacks of coffee, at 60 kilograms per sack, which brought in $810 million in foreign exchange. In January exports reached 548,558 sacks, earning about $95 million in foreign exchange, and in February foreign coffee sales reached 1,090,840 sacks of coffee, bringing in $294 million. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Apr 86 p 22] 6362

TRADE TALKS IN EAST EUROPE--Roberto Fendt, director of the Foreign Trade Department of the Bank of Brazil (CACEX), left Hungary on Wednesday for London, concluding a business trip to some Eastern European countries to try to reactivate the trade agreements, which are currently suspended. CACEX technicians are concerned about the decline observed last year in trade with the East European countries. In 1984, Brazil exported $1.35 billion in goods to the communist countries and built up a positive trade balance of $938.4 billion. Last year, Brazil only managed $992 million in exports to these countries and the trade surplus declined to $658.1 million. Fendt was in the GDR and was received by Wilhelm Bastian, vice minister of foreign radde. In Hungary, Fendt met with Thibor Melego, also vice minister of foreign trade. The objective of the two meetings was the same: the reactivation of trade. Brazil would like to buy more potassium chloride from the GDR and is not expanding its imports because of the decline in trade. In 1985, Brazil exported $83.14 million worth of goods to the GDR and imported $87.1 million worth. In 1984, Brazil's exports to the GDR had reached $205.5 million and imports had amounted to $101.2 million. Brazil has the same problem with Hungary. In 1984, Brazil exported $221.7 million in goods to that country and imported $85.3 million worth. [Text] [Sa Paulo GAZETA MERCANTIL in Portuguese 27-31 Mar 86 p 5] [Article by Walter Diogo] 6362

FIRST REGION COMMANDER INSTALLED--During a ceremony presided over by Eastern Military Commander General Rubens Mario Brun Negreiros, Major General Antonio Joaquim Soares Moreira was installed as 1st Military Region Commander yesterday at 1000. Gen Soares Moreira replaces General Bersange Figueiredo Prates. [Text] [Sao Paulo FOLHA DE SAO APULO in Portuguese 30 Apr 86 p 14 PY] /12913

NAVY OFFICERS INSTALLED--Admiral Mario Jorge da Fonseca Hermes has been appointed naval operations commander and navigation director general, replacing Admiral Luiz Leal Ferreira, who is the new Navy chief of staff. Vice Admiral Henrique Octavio Ache Pillar on 29 April assumed the post of naval squadron commander, replacing Admiral Hugo Stoffel, who was appointed director general of Navy materials. [Excerpts] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Apr 86 p 14 PY] /12913

CITIZEN ARRESTED IN ISRAEL--(Lami Maruja Razan), a Brazilian citizen charged in Israel with being linked with the Palestine Liberation Organization, will remain in prison for another 30 days. [Words indistinct] by the Israeli military courts. Nevertheless, no formal accusation has been filed. Deputy Ayrton Soares, (Lami's) attorney, who spoke with her last week, stated that despite the tensions she is in good condition. [Text] [Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 22 Apr 86 PY] /12913

CSO: 3348/558

SANTIAGO MAYOR HOLDS MEETING WITH COUNTERPART IN BEIJING

PY181610 Santiago EL MERCURIO in Spanish 12 Apr 86 p C 3

[Text] Beijing Mayor Chen Xitong has confirmed that the will visit Santiago next year to sign an exchange program between the two cities, initiated during the current visit to the PRC of Santiago Mayor Carlos Bombal Otaegui.

According to reports released yesterday by the Santiago mayorship, reports coming from Beijing say that Bombal this week held a long and fruitful meeting with his Beijing counterpart.

During the meeting, Chen Xitong told Bombal about the development and planning system implemented to face the growing development of Beijing.

In turn, the Santiago mayor gave background information on the computer system that his corporation recently adopted to improve attention to the people's interests.

Bombal, who is heading the Chilean delegation visiting the PRC until 24 April, also reported on the traffic control system implemented in Santiago, a city that has computer programs to control vehicular traffic on the main avenues.

The PRC authorities paid special attention to the technology used at the dumping grounds for the waste and garbage that is daily collected in the city. Detailed information was given on the use of methane gas extracted from these dumps.

Bombal stated that the meeting with the Beijing mayor was held in a climate of extreme cordiality and warmth. He said: "Chen Xitong stressed the importance of the contacts between our capitals, which favor the general level of ties between Chile and the PRC."

Bombal added that "Chen Xitong positively viewed the friend future relationship between the two cities and accepted an invitation to visit Santiago next year."

Regarding the PRC dancers who are currently performing with the Chilean Municipal Theater Ballet, he said that the possibility has been studied of letting them stay in Chile longer.

/8918
CSO: 3348/522

CHILE

MDP PRESIDENT ALMEYDA ON OPPOSITION'S STRUGGLE

PY212247 Santiago Radio Chilena in Spanish 1700 GMT 21 Apr 86

[Excerpts] Manuel Almeyda [president of the Popular Democratic Movement, MDP, member of the Chilean Socialist Party and brother of Clodomiro Almeyda, the secretary general of the Chilean Socialist Party], is a physician who since the 11 September military coup has been on trial twice and fired from his position as professor at the Jose Joaquin Aguirre Hospital of the University of Chile. He has been living underground since November 1984.

Radio Chilena was able to talk with him after various security measures were taken.

MDP President Manuel Almeyda believes that the struggle of the opposition against the government will gradually become more virulent and that the necessary conditions to overthrow the government will appear. He believes that clear and precise political agreements should be reached by the opposition and that the MDP advocates a great national democratic agreement.

[Begin Almeyda recording] We believe that all the democratic opposition sectors should reach a political agreement. This has been the position of the MDP and the Socialist Party and this is why we have called for a national democratic government, a great political agreement. We believe that this is the only way to offer a clear choice to the Chilean people once the dictatorship has been overthrown. We also believe that the agreement should be broad enough to give a solid base to the provisional government replacing the dictatorship. We are about to reach a political agreement with the other sectors. [End recording]

Manuel Almeyda also talks about violence giving as an example his own experience.

[Begin Almeyda recording] I have been subjected to violence and I am now under a very particular form of violence, that is I am not able to live a free life in this country. Violence is the identifying mark of this government, of this dictatorship, the type of violence that made its debut in the Chilean political life with such brutality that astonished the world. This type of violence in Chile has been internationally recognized because this regime has been condemned year after year for violating human rights. [End recording]

Manuel Almeyda said that he and his party believes that inevitably a provisional government will be installed to give Chile the democracy the people want and for which they are struggling.

/8918
CSO: 3348/522

SOCIALISTS PROPOSE 'PACT FOR SOCIAL JUSTICE'

PY241400 Madrid EFE in Spanish 0032 GMT 24 Apr 86

[Text] Santiago, 23 Apr (EFE)--The Chilean Socialist Party [PS] led by Carlos Briones today made a proposal to the Democratic Alliance [AD], the Socialist Bloc, and the National Accord for the Transition to Full Democracy for a "pact for social justice."

The proposal, which was released to the press in Santiago today, is intended for discussion within the three most important Chilean opposition groups.

Briones, formerly interior minister under the Popular Unity administration, indicated that "we are going through tragic times in which the rights of the workers and the people in general are not being respected. Violence and murders are on the rise in the country, and public morale is at its lowest point."

Briones went on to say that the "pact for social justice" must be "discussed, improved and accepted, because if we all sign it, the people will realize that democracy is not just a conglomerate of vague and distant institutions."

The document states that "the democracy that will be reinstated in the country must be based on legal equality for all citizens and set of rules of the game allowing enveryone to participate freely, fairly, and responsibly."

It adds that the "pact is an open commitment. All Chileans, laymen and men of the church, civilians and military men, and politicians of all beliefs, can participate as long as they are prepared to accept its principles as guidelines for their public behavior."

The main objectives of the pact are: the drawing up of an emergency plan; a nationwide commitment to the redistribution of income; and emergency food and health plan; a new housing and public services policy; and the recognition of the workers' right to organize themselves.

/8918
CSO: 3348/522

CHILE

NATIONAL UNION REJECTS ACCORD WITH COMMUNISTS

PY250026 Santiago EL MERCURIO in Spanish 17 Apr 86 p C-2

[Excerpts] National Union President Andres Allamand has stated that "it is not possible to remain loyal to the National Accord for the Transition To Full Democracy and at the same time reach agreements with groups" like the MDP [People's Democratic Movement] and the Communist Party, which "do not want democracy and which only seek to replace the current authoritarian regime with a tyranny."

In a 12- page document addressed to National Accord coordinators Sergio Molina, Fernando Leniz, and Jose Zabala, Allamand specifically mentioned the social mobilization agreement sponsored by the Christian Democratic Party and the communists.

The document, delivered to the coordinators during a National Accord meeting on 16 April, states that "the links between some Accord members and the Communist Party and the MDP, and the specific problem of violence," which these two groups" advocate and use as a political method, are one of the major difficulties that the Accord has encountered."

Herewith the text of Allamand's document:

At a time of definitions, on one can evade one's own definitions, much less choose ambiguities--which involve complicity--to disregard the solemn commitments that were previously accepted.

It is still possible to prevent the distortion and destruction of the Accord, which was inspired by the Catholic Church; which has made it possible for the Armed Forces, the police, and the democratic civilian sectors to reach a fruitful agreement; which has received the support of many good Chileans; and which has been disseminated at international level.

To this end, it is necessary to preserve the accord's genuine spirit and abandon once and for all the unwise accords and agreements with those who do not want democracy and who only seek to replace the current authoritarian regime with a tyranny. One's words must match one's own actions.

It is necessary to maintain our faith in the moral strength of peaceful methods, have confidence in persuasion as a method for defeating intransigence, and avoid being attracted by apparent solutions that will only benefit the totalitarians on either side.

The task of those who signed the Accord and who have remained faithful to it must be to preserve the true spirit of the Accord and to maintain it as a "bargaining tool" to be opportunely used for a constitutional reform.

Santiago, 16 April 1986.

/8918
CSO: 3348/522

CHRISTIAN DEMOCRATIC YOUTH HOLDS CONGRESS

PY100047 Santiago Radio Chilena in Spanish 1700 GMT 9 Apr 86

[Text] The National Council of the Christian Democratic Youth, which held its congress during the first week in April, has released a declaration defining its political position and expressing solidarity with its leaders who are under judicial process or being harassed by official sectors. Andres Palma, the president of the Christian Democratic Youth, read the declaration which emphasizes the important role that the youth play in the struggle for democracy.

[Begin Palma recording] We must consolidate and strengthen the presence of organizations in order to give the massive support of the community to the social demands of the various sectors. We also believe that it is necessary to hold more political and social meetings among Chileans in order to provide greater strength and representativity to the solutions proposed to overcome the crisis. In this regard we support the call made by the Chilean Confederation of Professional Associations for the formation of a National Civic Assembly. We call on youth organizations to join the assembly with a constructive spirit, that is with a patriotic spirit. [End recording]

The declaration also calls on all youth organizations to join the agreement reached by political youth organizations. The Christian Democratic Youth also reiterates its commitment to struggle for the construction of a comprehensive democracy.

[Begin Palma recording] The Christian Democratic Youth reaffirms its commitment to the construction of a comprehensive democracy in which all Chileans can participate. We assert that democracy cannot prevail in Chile if it is not based on full respect for human rights, political and social pluralism, the sovereignty of the people to define their destiny, peaceful coexistence, a policy based on consensus rather than on imposition, nonalignment, and the rejection of intervention in our decisions.

We also assert that democracy will not prevail in Chile if it is not capable of guaranteeing the basic needs of the population, creating full employment, and liberating the country from the protection of international economic agents. [End recording]

The declaration also reaffirms the validity of the National Accord and calls for the mobilization of all sectors. It also accuses the courts of being responsible for the environment of insecurity prevailing in the country because they have not been able to solve the crimes that have created commotion among the people. The Christian Democratic Youth expresses solidarity with the relatives of the murdered leaders Santiago Nattino, Manuel Guerrero, Jose Manuel Parada, Mario Fernandez and Simon Yevene.

/8918
CSO: 3348/522

CHILE

BRIEFS

'DEMANDS'FOR DEMOCRACY--Approximately 200 Chilean social, labor union, and political leaders have decided to send the Chilean military regime a document called Chile's Demands in which the leaders demand a return to democracy. The document states the country will come to a standstill if the regime does not meet the democratic requirements demanded in the document. Chile is currently undergoing a deep political, economic, social, and moral crisis, the document states, emphasizing that the Pinochet dictatorship does not allow dialogue on agreements and is increasing repression. Chilean labor union leader Roberto Seguel, president of the National Workers Command, said that the people have reached the limit of their patience. He also presented a proposal by his organization calling for a nationwide strike within the next 2 months. Meanwhile, it was also reported that two homemade bombs exploded on Saturday in Vina del Mar, 140 km from Santiago, Chile. No one was hurt in the explosions. [Text] [Havana International Service in Spanish 1600 GMT 27 Apr 86 PA] /8918

CSO: 3348/522

CUBA

BRIEFS

MIRET PRESIDES OVER ELECTRONICS MEETING--In Pinar Del Rio Politburo member Pedro Miret Prieto is presiding over the second national meeting of directors of electronic related enterprises. Five lectures were presented at the meeting. Representatives from the Soviet Union and Bulgaria are in attendance. /Text/ /Havana Radio Rebelde Network in Spanish 2300 GMT 28 Apr 86 FL/ 12228

MEASURES AGAINST ILLEGAL RESIDENTS--More on the General Housing Law. When the municipal housing directorate detects and confirms an illegal occupation of a dwelling, it will issue a document containing established measures. If the illegal occupants cannot return to their place of origin, they will be relocated to an available state-owned house or room. If the illegal occupants refuse to comply with the law, the municipal housing directorate will make arrangements with the offender's work centers to seize 30 percent of the salary of each of the illegal occupants for 3 months. If they remain in dwelling, 50 percent of their salaries will be seized for 3 more mouths. After this period of time or if there are no seizable incomes, the aid of the National Revolutionary Police to have the illegal occupants leave the dwelling will be enlisted. /Text/ /Havana Television Service in Spanish 0000 GMT 12 Apr 86 FL/ 12228

CSO: 3248/391

GRENADA

COLUMNIST RICKEY SINGH QUESTIONS GOVERNMENT ACTIONS

Bridgetown WEEKEND NATION in English 11-12 Apr 86 p 8

[Rickey Singh column "Our Caribbean": "Grenada: An Undemocratic Time--Case of NPP Self-Interest"]

[Text]

AFTER THE ISLAND'S BLOODY CRISIS of October 1983, it is convenient for some people to ignore or rationalise an emerging undemocratic trend in Grenada. It is, nevertheless, a trend that unless curbed, could very well deteriorate into another crisis situation in this Spice Isle, now seemingly enjoying its satellite relationship with the United States.

I will cite a few examples which, if they had occurred under a left-wing administration, would have evoked protests from various sources in and out of the Caribbean, including governments, church and labour organisations, and the media:

There was no problem for Grenada watchers to appreciate that the Scoon-Brathwaite interim administration set up after the American-led invasion, functioned very much under influence of United States through its diplomatic mission in St. George's.

At the end of October 1984, with just two months before the December 3 general elections, the island's Elections Supervisor, Roy Chasteau, was sacked by Governor General Paul Scoon, shortly after Chasteau had agreed to extend registration of voters, resulting primarily from complaints from the Maurice Bishop Patriotic Movement (MBPM) that around 3 000 eligible voters had been excluded from the new electoral roll.

When 25 of Chasteau's staff colleagues resorted to strike action to protest his removal from office, they were in turn promptly dismissed.

With the election to office of Prime Minister Herbert Blaize's New National Party (NNP), Grenada's Comptroller of Inland Revenue, Basil Harford, was speedily transferred to what was officially described as a "less sensitive post", that of Director of Training in the Ministry of Planning, following criticisms of the government's 1985 Budget.

May Day address

Harford was accused of being "political" for his May Day address in which he stated that income tax concessions announced in the 1985 Budget would not benefit low-income earners. He had spoken at the May Day rally in his capacity as president of the Grenada Trades Union Council and the president of the Public Workers' Union.

With the pervasive influence of the American Institute for Free Labour Development on some unions, the unions not dancing to the government's tune, are constantly being criticised with having political motives, whenever they engage in legitimate industrial actions.

But back to the Harford incident. Interestingly enough, this leading civil servant and trade union activist, whose right to publicly disagree with the NNP government's Budget earned him the accusation of being "political", meaning, of course, anti-government, was replaced by a politician, Gordon Robertson, a small businessman. Robertson was an unsuccessful candidate at the 1984 elections for the Christian Democratic Labour Party.

By February, this year, following President Ronald Reagan's four-hour visit to Grenada, during which he was proclaimed a "national hero" of the island by Prime Minister Herbert Blaize, civil servants carried out their threatened one-day strike action in support of their demands for salary increases.

The government chose to penalise them for this industrial action by deducting one day's pay in an atmosphere of its own creation that these workers were attempting to destabilise the regime.

Then last month, the Blaize government, which is seeking from the United States EC $18 million (EC $1 = US$ 37 cents) to make up its deficit in this year's recurrent Budget of EC $126 million, decided to enact legislation to restrict the freedom of movement of its opponents.

Security threat

A release from the Government Information Service (GIS) disclosed that the legislation, as approved by the island's parliament, gave to the national security minister (Mr. Blaize) power "to restrict a person from leaving the country if he is satisfied that such movement will be a threat to national security, public order and safety of the nation".

This development followed constant criticism and threats by government officials against representatives of the Maurice Bishop Patriotic Movement for their overseas travels, allegedly to engage in a "communist conspiracy" against the democratic United States-aligned NNP administration.

Even before the legislation, members of the MBPM have had difficulties travelling even to some CARICOM countries, and have had their passports seized.

This is obviously a witch-hunting piece of legislation which must have serious consequences for citizens of Grenada who may have legitimate reasons for being opposed to the NNP regime and who can now be penalised from travelling overseas on allegations of posing a threat to "national security" — that infamous blanket accusation used by governments to cover their own crimes.

Dislike of Bishop

We know of the visceral dislike of the Reagan government for the slain Maurice Bishop's People's Revolutionary Government.

But imagine, in contrast, what it may have been like for a leftwing government in the Caribbean Community, that did not have the support of Washington, dismissing an Elections Supervisor in the midst of preparing for new general elections; enacting laws to restrict the free movement of its citizens; or deducting money from workers' pay for taking normal industrial action . . . .

I guess if a government mortgages its country's sovereignty to a "democratic" foreign power on the grounds that power "rescued" the country from a "hostile, communist" empire, then such a government, in this case the Blaize administration, can be excused, or better still, be applauded for "enhancing democracy" by being unduly tough with its domestic opponents. Especially, if such opponents can be presented as "communists" or "communist sympathisers," as the NNP finds it in its own self-serving interest to do.

If friends of the Blaize government do not accept these developments as indicative of an undemocratic trend, if they do not see them as disturbing straws in the wind, then perhaps they may even be disposed to such happenings in their own country.

My own feeling is that Prime Minister Blaize will be well-advised by his friends to resist the temptation to exploit his government's extremely close ties with the Reagan White House to make life difficult for his opponents.

Mood of resentment

We all know how attractive it must be for the Blaize government to capitalise on the mood of resentment over the New Jewel Movement's October 1983 crisis and create an atmosphere that caters to the political needs of the NNP,under the guise of battling "communism".

But Sir Eric Gairy's own supporters in the banana industry, who responded to his strike call last year, also know something of the NNP government's arrogance and distaste for industrial action which had nothing to do with destabilising the regime.

If the ruling NNP, still striving to conceal its internal political frictions, remains blindly opposed to the MBPM . . . which is certainly not the NJM . . . then it must not forget that Gairy's Grenada United Labour Party (GULP) polled more than 30 percent of the votes at the December 1984 elections and that the old political fox still has a lot of fight in him.

The Blaize government, in its short period, has received more grant aid from the United States than any other Eastern Caribbeen state. Actual United States economic assistance to Grenada between 1983-86 amounts to US $72.6 million.

If, however, the government continue along its present political course, it will discover how very counterproductive it is to keep blaming the "communist" for its own failure to deliver its promises to the unemployed (35 percent), the women and the youth of Grenada.

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CSO: 3298/417

JAMAICA

PARTIES TRADE BARBS OVER CUBA LINKS, FOREIGN POLICY

PNP Leader on 'Pluralism'

Kingston THE DAILY GLEANER in English 8 Apr 86 p 3

[Text] The People's National Party has reviewed its past relations with the Government of Cuba. The review would be a fundamental guide for the Party in the future, Mr. P.J. Patterson, PNP Chairman, said on Friday.

Mr. Patterson, who was speaking at the annual sales awards banquet of Mutual Life Insurance Society at the Wyndham Hotel, New Kingston, said that all diplomatic missions to Jamaica should be subject to the same rules and be treated on an equal footing. He said a programme of bilateral co-operation with various countries should be encouraged and technical co-oporation enhanced in areas clearly defined.

He said that Jamaica's foreign policy must emphasize the primacy of the Caribbean as a zone of peace and the need to widen relations with the Caribbean, whether Dutch, French or Spanish is spoken, because of the accident of conquest.

Mr. Patterson said that Jamaica should build direct relations with the mainland countries of the Caribbean Basin and spare no effort to preserve the Caribbean as a zone of peace.

For that to be possible, he said, "We must accept the need for ideological pluralism and demonstrate that friendly relationships are possible with countries although they may differ in their political and economic systems." Mr. Patterson said the relationships should not imply acceptance for Jamaica of any other system than that to which Jamaica was committed.

It should be possible, Mr. Patterson said, to establish and maintain diplomatic relations with countries as widely different in their orientation as Mexico, Peru, Bolivia, Panama, Cuba, Argentina and Brazil, without creating an aura of "abnormality or controversy in either, and which is constantly a potential source of misrepresentation."

Mr. Patterson said that in respect to Caricom, Jamaica must take urgent steps to consolidate and re-activate the process of economic integration and this would entail a greater degree of dialogue and a fuller exchange of information on national economic pressures and the action contemplated to relieve them.

He told Mutual Life: "Companies such as yours, committed to the concept of fostering the indigenous resources of the Caribbean, can contribute greatly to this process through trained managerial manpower and promoting a greater degree of interaction between our scholars, scientists, consultants, artists and sportsmen."

Questions From JLP

Kingston THE DAILY GLEANER in English 8 Apr 86 p 3

[Text] The People's National Party was challenged on Sunday to tell the truth about its links with Communist Cuba.

Deputy Leader of the Jamaica Labour Party and Minister of Public Utilities, the Hon. Pearnel Charles, who threw out the challenge, also said that former Cuban envoy Ulysses Estrada "will not be coming here over my live body."

Mr. Charles, who was addressing Jamaica Labour Party supporters at a Western St. Thomas rally and conference at Seaforth Secondary School appeared to be reacting to an announcement from PNP Chairman, Mr. P.J. Patterson, that the Party has reviewed its relationship with Cuba.

Mr. Patterson had also said there was nothing wrong with diplomatic relations or possible co-operations with the Communist state 90 miles away.

When the JLP took office, one of its first moves was to declare Estrada *persona non grata* as the Government contended that the envoy had offended the Jamaican people.

"Come out and tell the people the truth. Are you still socialist? Do you love Cuba or you going to bring back Estrada?" Mr. Charles asked.

Reminding that Mr. Patterson had said the PNP would change its attitude towards Cuba, he accused the Party of carrying out secret missions to Cuba, Libya and Nicaragua.

"Let them come out and say it's a lie. Let them say if they have abandoned Socialism and ready to walk with Socialism and ready to walk with democracy," Mr. Charles said.

He questioned what was the PNP's position on Cuba and Gaddafi. Mr. Charles charged that the Party had asked all left-wingers to go underground so that the Party's machinery was nowhere to be found.

"All Young Turks who are keeping quiet and slipping in have allowed the moderates to talk," Mr. Charles said, adding that the JLP was the only Party the people of Jamaica would permit to go in Parliament with 60 seats.

"We have done nothing to destroy your democratic freedoms. We have things tough but they would be tougher under the PNP. We are not the best but we're certainly better than the rest," he said.

He said he was reminding those who were playing "Russian roulette" with the PNP that the JLP had taken the Government and silenced the gunmen, "but we have not killed them... they are still here."

Mr. Charles warned that those who would want to bring back elements of gunmanship would never again sit in the seat of Government in this country.

Guest speaker, Deputy Prime Minister and Minister of Foreign Affairs, the Rt. Hon. Hugh Shearer, told the crowd that the Government was re-examining strategies for development.

Details of amended measures to accelerate growth in Tourism and Manufacturing would be announced by the Prime Minister in his upcoming Budget debate.

Mr. Shearer invited local businessmen to invest in St. Thomas as he referred to incentives in place to help them. He paid tribute to Member of Parliament and Minister of the Public Service, the Hon. Errol Anderson, for fighting for benefits for his constituents.

The function was chaired by former St. Thomas parish Councillor, Mr. Desmond McKenzie.

There was entertainment by the Tivoli Gardens Drum Corps and a community band as well as a Kumina group and performing band.

Also in attendance at the conference were the Minister of Labour, the Hon. J.A.G. Smith; the Minister of Education, Dr. Mavis Gilmour; the Minister of State in the Ministry of Agriculture, the Hon. Anthony Johnson; Senator Babsy Grange and Mr. Clifton Stone, Member of Parliament.

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JAMAICA

NEW POLITICAL PARTY FORMED TO PUSH FOR U.S. STATEHOOD

Kingston THE DAILY GLEANER in English 8 Apr 86 p 2

[Text] A new political party was officially launched on Saturday at a luncheon and press conference held at the Jamaica Pegasus Hotel. Speaking on behalf of the Jamaican American Party, (JAP), as the new organisation has been named, the Rev. Oscar Colley, Jamaican citizen/American resident, said that "under the auspices of the Jamaican American Party, deliverance will come."

President and founder of the party, Mr. James H. Chisholm, said that the principal objective of JAP are to "seek a mandate from the Jamaican people, through the ballot box, and thereafter seek equal statehood partnership with the United States of America".

"We firmly believe that our platform is the only hope for Jamaica to overcome its financial demands," he said.

Stating that Jamaica needed a third political party, Mr. Chisolm said there were 30 prospective candidates from JAP for the next general elections which he hoped would not be called until about 1988 when, he said, his party will be ready to contest the elections. The party has 34 directors living in both Jamaica and the US, and plans to appoint directors in every parish in Jamaica and every state in the United States. Mr.

Both the President and a number of the directors of the Jamaican American Party have said that they have spoken to many Jamaicans here in Jamaica who want "statehood partnership" with the US. They have also said that on the basis of an opinion poll done by Carl Stone in October 1982 which saw 43% of the respondents answering "yes" to the question: 'Do you think Jamaica would be better off if we gave up our independence to become a state of the United States?', they believed that the majority of Jamaicans want "statehood partnership" with the US.

"Statehood partnership," Mr. Chisholm said, means that the only thing that Jamaica would be giving up would be poverty. He dismissed the idea that Jamaica would become like Puerto Rico, saying that in the interim between his party receiving the mandate and Jamaica becoming a state-partner of the US, Jamaica would have a commonwealth status with the US, like Puerto Rico, but that we would move on to become an equal partner with the 50 other states of the US.

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GOVERNMENT SILENT, BUT OTHERS SCORE U.S. RAID ON LIBYA

FL161750 Bridgetown CANA in English 1736 GMT 16 Apr 86

[Text] Kingston, 16 Apr (CANA)--The Edward Seaga government here, the staunchest ally of the United States in the English-speaking Caribbean, has maintained silence on the U.S. bombing of Libya, but local opposition and peace groups have criticized the action.

The security interests of the world, particularly of small states such as Jamaica, dictate that there should at all times be scrupulous adherence to and complete respect for the principles of international law if all nations are not to become victims in turn of the laws of the jungle, said the main opposition People's National Party (PNP).

The PNP said it regretted Washington did not heed the advice of its allies who had urged restraint and suggested the seeking of a diplomatic solution to all its differences with Libya. The U.S. alleges that Libyan leader Colonel Mu'ammar al-Qadhdhafi is the major sponsor of international terrorism.

The PNP repeated its uncompromising condemnation of terrorism, but said it was concerned at any action which may trigger a pattern of reprisals and counter-reprisals.

The Marxist Workers Party of Jamaica (WPJ) called the bombing an act of aggression which itself was state terrorism.

The U.S. air strikes were in retaliation for a series of alleged Libyan-sponsored terrorist acts that saw the killing and wounding of scores of American citizens.

The WPJ called on the government to condemn the raid on Libya, Washington's undeclared war against Nicaragua, and to pull out of planned military exercises next month with the United States and other Caribbean countries.

The Committee on Peace, which is organizing events for the International Year of Peace, called for a pullout of the military exercises in its condemnation of the action.

The pro-Libya Caribbean National Movement (CNM), based in Kingston, in letters to the U.S. and British embassies here, condemned the raid and pledged support for Mu'ammar al-Qadhdhafi.

The CNM, grouping some regional leftist parties, told the British they must bear full responsibility for any retaliation by Tripoli against British interests for allowing their bases to be used as a launching pad for the American action.

The Jamaica Council of Churches said it was alarmed at the air strike.

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JAMAICA

GLEANER SEES U.S. RAID ON LIBYA AS 'UNJUSTIFIED ACT'

Kingston THE DAILY GLEANER in English 17 Apr 86 p 8

[Editorial]

[Text]

The United States' bombing of "terrorist-related" targets in Libya has been roundly condemned by the international community, with the noted exceptions of Britain, Canada and Israel.

The bombing of targets in Tripoli and Benghazi was obviously in retaliation for the April 5 bombing of a West Berlin discotheque in which an American soldier was killed and several other persons injured. This bombing, for which the Americans say they have evidence of Libyan involvement, was itself said to be in response to the American attack on Libyan patrol boats last month in the flare-up of hostilities between the two countries over the disputed Gulf of Sidra.

We share the concern of the American people and government over the increase of worldwide terrorism which has become a scourge requiring strong measures to eliminate or at least control it. This is even more so when acts of terrorism are given official sanction by governments.

However, we cannot endorse the American view that to eliminate that scourge, pre-emptive military actions are necessary. The bombing of targets in Libya by the American Navy was an unjustified act which cannot find support in the practice of international law.

There are basic principles that govern the behaviour of states within the international community. The reality of overweening power in a Pax Britannica era, for example, can explain how the British kept the colonies of its empire in line or could dictate the boundaries of geopolitical spheres. But those days are gone. No one state now, however powerful, should feel that it can arrogate unto itself the right to discard those principles when it suits its interest. That is what the United States is attempting to do in its efforts to justify the violation of Libya's sovereignty by a display of naked superior power.

What is of even greater concern is the danger to the rest of the world. Already the Soviet Union has signalled its disapproval by calling off high-level talks between the two superpowers set for next month to pave the way for another Reagan/Gorbachev Summit later this year.

Terrorism is a species of cowardly and brutal insanity. We support all responsible efforts by governments to eliminate this scourge from the international community. However, the bombing of a few targets will not deter terrorists from their cruel acts but may in fact set off an even more vicious cycles of mayhem and terror.

We urge the United States to act with restraint, bearing in mind its responsibilities as a superpower. The U.S. should seek to galvanise an international counter to the Libyan madness rather than fight terror with unilateral terror.

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JAMAICA

COLUMNIST EXAMINES PRE-ELECTION POLITICAL, ECONOMIC CLIMATE

Kingston THE DAILY GLEANER in English 2 Apr 86 p 8

[Article by Carl Stone]

[Text]

All indicators now suggest that the country's two major political parties are warming up for a major election contest.

Spokesmen from both parties have confirmed that the settlement on new boundaries for both local and parliamentary elections is proceeding smoothly, ahead of schedule and with remarkable consensus on either side. This should make it possible to have a mid-year local election or a parliamentary election if Mr. Seaga is so disposed.

The JLP is unusually active. The party's government is repairing roads and spending money all over the country. Its political machinery is going through the motions of acquiring and bringing in the usual stock of vehicles and other campaign equipment on a scale suggesting that it is getting ready for a serious campaign effort. Organisationally, the JLP is on the move getting its supporters ready for action.

Even the management of news at JBC Television betrays a new thrust towards total exposure of the Prime Minister and extensive advertising of JLP policies. On Wednesday last, for example, the JBC TV news was virtually on our Prime Minister featuring him at least three times, including a long excerpt from a parliamentary speech. The JBC TV news seems to be competing with JIS in presenting volumes on government policy projects as it seeks to sell the JLP policies to the Jamaican people in what appears to be an undisguised advertising campaign.

Making sure...

The PNP, on the other hand, talks constantly about being on an election alert. Having been caught in 1983 with a snap election for which it was not ready, that party is making sure that it will not be caught by surprise. Indeed, PNP speculation strongly suggests that Mr. Seaga might just try that snap election trick again to catch them off guard, hence the PNP's constant effort at mobilisation.

We are now virtually certain to have the local election contest this year and there is just a small probability that Mr. Seaga might seek to take the plunge into parliamentary election in the hope that the PNP will not be ready or might not have the resources to make a maximum effort.

Of course, the JLP is hoping that since it has taken away most of the functions of local government, that election might not attract much interest from voters. In a low turn-out contest the JLP hopes to look respectable by pulling out all of its hard core support, given the enormous financial resources that party can call on.

If only hard core PNP and JLP supporters vote, the JLP has a chance of coming close to the PNP's vote. If, however, the turn-out is high, the result is likely to be a decisive defeat for Mr. Seaga's JLP. Should that happen the pressure for calling a parliamentary election in the short run might well become irresistible even for the stubborn Mr. Seaga. In the event of a low turn-out and a respectable JLP vote, those pressures will subside.

A great deal is therefore at stake in the local elections.

In 1969 the PNP was faced with a similar situation shortly after Mr. Manley took over leadership of the party. The JLP government had become unpopular and in a KSAC and Parish Council election contest, the PNP called for a vote of no confidence in the JLP. The vote recorded a significant swing to the PNP and a PNP majority both of which were predictive of what happened in the later 1972 parliamentary election.

Sealed the issue

In that 1969 election 64% of the eligible voters came out to vote and that high turn-out (by local government election standards) sealed the issue for the PNP.

The PNP no doubt is seeking for a repeat this year and for a substantially larger victory margin.

Recent polls suggest that if the turn-out is high the PNP should come out with a large majority.

Like the PNP, the JLP will have to focus its campaign on national policies rather than on local issues and will have to seek to defend its policy record since 1980.

The country and the economy are divided between some areas that are doing well and others which are hurting badly. The JLP will be trying to convince us that the positive growth centres are indicators of the much larger economic gains and upturn to come if the country agrees to keep Mr. Seaga in power for a period beyond the two-term norm.

The JLP policy record is not without some achievements. There is evidence of strong crisis management in the face of the collapse of the bauxite market. Project implementation has been tidier than under the PNP. More external aid has come into the country under Seaga's leadership than under Manley in the 1970's. New growth areas and investment initiatives have been generated in export and agriculture and export manufacturing in activities with considerable potential for employment and income generation. The budget deficit has been brought down and since 1980 the country has been relatively stable and quite in contrast with the turbulence of the 1970's. However much we might disagree with his policies Mr. Seaga has worked hard and tried his best to solve difficult problems. JPS has been restored to a level of reliability.

More severe

The negatives, however, are quite considerable. Austerity measures have been far more severe than in the 70's and the poorer classes are hurting very badly from unemployment and the high cost of living. The export growth strategy has misfired by prematurely compressing domestic demand and the domestic economy while export growth has been too slow and too retarded by the bauxite crisis to carry the weight of the economy.

The liberalisation of imports has hurt local production and helped only the merchants and higglers. Illegal imports have become the fastest growing sector of the economy (Mr. Seaga's misleading import statistics notwithstanding). Small business, small farmers, manufacturers, government workers and the working class are hurting badly. The trade deficit has been much worse than under the PNP in the 1970's. Although the supermarket shelves are full (unlike the 70's) many are unable to purchase basic necessities. Malnutrition and hunger are on the increase among the poor while affluence increases among the rich. The country has been suffocating on a massive debt burden.

The style of the JLP's public management has not endeared it to the Jamaican people. The government has stubbornly fought many battles and has come out without making any consessions. But it has built up a fund of hostility in so many sectors that without doubt this JLP government is the most unpopular elected leadership this country has had since independence.

Teachers, students, small farmers, trade unions, government workers, cane farmers, doctors, nurses, tax payers etc., have built up resentment against Mr. Seaga and his government over a long agenda of issues which will hurt the JLP in any election.

Unpopularity

Mr. Seaga is not without his staunch supporters but I don't think there is any doubt that he is the most unpopular Prime Minister this country has ever had. His unpopularity remains the PNP's greatest election asset as many will come out to record a no-confidence vote against him without too much thought as to whether the PNP is ready or likely to do much better in running the country.

Political violence has subsided since the 1980 because many of the 1970's top ranking gunmen have moved to New York. Also, because the opposition party, the PNP, has disconnected from gunmen and has tried deliberately to avoid the politics of confrontation practiced by the JLP in the 70's. Also, because the JLP has abandoned most of the pork barrel spending policies which were used in the 70's to channel lots of money to top-ranking "gunmen" contractors.

We sincerely hope that the peace will continue and that the impending election will mark a return to more violence-free election contests.

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CSO: 3298/414

JLP, PNP VOW TO AVOID VIOLENCE IN LOCAL ELECTION CAMPAIGNS

Kingston THE DAILY GLEANER in English 10 Apr 86 p 1

[Text]

WITH Local Government elections coming up, the JLP and the PNP are committed to avoiding political violence, spokesmen for both parties told the *Gleaner* yesterday.

Prime Minister Edward Seaga on January 12 at a meeting of the Central Executive of the JLP said that Local Government elections would be held by July 31.

Yesterday, at a luncheon of Wolmers' Old Boys, the Hon. Karl Samuda, Minister of State in the Ministry of Industry and Commerce, said he had been having informal talks with Dr. Paul Robertson, General Secretary of the PNP, and they had agreed that violence in elections was not in the national interest or the interest of any party.

He told the *Gleaner* after the luncheon that on this principle it was hoped that machinery would be set up to minimize or eliminate violence in politics. Dialogue, rather than confrontation, was best, he said.

Mr. Samuda is Deputy General Secretary of the JLP and representative of the JLP on the Electoral Advisory Committee.

Dr. Robertson, General Secretary of the PNP, is also a representative of the PNP on the Electoral Advisory Committee.

PNP headquarters, telephoned yesterday evening, said Dr. Robertson was out of office.

But, Mr. Donald Buchanan, Deputy General Secretary, said a committee had been set up to eliminate or minimize violence in elections. Consequent on the calling of what he said was the 'bogus elections,' this committee had lapsed.

But recently more talks were held and they (PNP/JLP) were in the process of restarting talks about eliminating or minimizing violence in elections.

He said: "Our Party has always been opposed to all forms of political violence, and towards this end we are prepared to talk with the JLP to eliminate political violence or at least mimimize it."

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JAMAICA

GOVERNOR GENERAL'S THRONE SPEECH OPENS PARLIAMENT

Kingston THE DAILY GLEANER in English 3 Apr 86 pp 8, 11

[Text of Throne Speech by Governor General Sir Florizel Glasspole at ceremonial opening of 1986-87 session of Parliament on 2 April 1986]

[Text]

“MR. President and Members of the Senate, Mr. Speaker and members of the Honourable House of Representatives:

"The past year, . without doubt, has been one of the most testing in our recent history. True to the Government's forewarnings, it was a year of severe adjustments of the economy to ensure that we could maintain a steady course towards the targets set to achieve economic recovery.

In presenting the Estimates of Expenditure last year, the Prime Minister outlined the three conditions required to maintain this course:

(1) The cost of operating the Government would have to be reduced substantially so as to create savings of $258 million in this new financial year;

(2) A very substantial tax package would have to be introduced to finance the Estimates of Expenditure this year;

(3) No further reduction in the earnings from bauxite should occur.

The results of the efforts to meet these conditions show that:

(1) In the course of this past year virtually all major reduction in staff and the cuts in services were made to ensure that the targeted savings of $258 million would be generated in this year.

(2) The tax package required was announced and implemented leaving only the non-tax financing to be dealt with this year as will be set out in the forthcoming Budget presentation later this month.

(3) Unfortunately, the international marketplace for bauxite continued to be weak and there was a further slippage in bauxite earnings during the year of US$50 million necessitating the early introduction of the tax measures in January instead of at the usual time of presentation of the Budget, later this month.

Great pain

These steps enabled the economy to maintain the targets set for this year and to keep on course to reach the level of recovery programmed.

Inevitably, none of this was done without great sacrifice and pain. The people of Jamaica, despite the enormous additional burdens, made their own individual sacrifices to enable the country to progress to the ultimate goal of a stronger, healthier economy able to generate and sustain growth and to lay the foundations for improved standards of living for all.

Even though many are understandably concerned, and some even bitter, about the change in their personal circumstances, there is an increasing awareness that the basic cause of the problems we face is a result of the cumulative deficits of the 1970's, and the rapid decline which has taken place in the bauxite industry over the past three years reducing production and earnings by US$1700 million since 1980.

Highest credit

With the enormous loss of revenue and foreign exchange earnings, there is no other course open but to cut the country's costs of operations and increase its earnings to make up as much as possible for the reduction in bauxite earnings. And this is precisely the painful course that was charted last year when costs were cut and tax revenues increased.

As hard as this has been to many, any other course would have caused greater suffering yet, because the economy would have been unable to survive if no attempt was made to pick up as much of the slack as possible from the fall-out in bauxite earnings.

Without doubt, the nation as a whole, richly deserves the highest credit for responding to the call for enduring sacrifice, making it possible to adjust our course so that by the greater effort of the people, the nation was still able to continue to make the headway necessary to reach the goal of recovery which we must attain.

The programme of economic recovery despite many setbacks is now at a point at which the painful and unavoidable lay-offs and redundancies are almost entirely behind us and the programme of new taxation and reduction of services has been put in place.

The financial year 1986/87 is therefore the year in which we will build growth on a leaner but firmer structure.

Take-home pay

That process of rebuilding is now underway with the implementation of the largest single programme of personal tax reform in the nation's history — a programme which has transformed the levels of personal taxation in Jamaica from the second highest and most complex system in the world to one of the most moderate and simple of any country.

Already a great majority of employees have begun to experience an increased level of take-home pay and the disincentives to production and productivity which existed under the old system, have given way to the incentives inherent in the new system, including lower tax rates and greater simplicity of calculation. Special concessions have been made for pensioners and senior citizens.

This year the programme of tax reform embraces corporate taxation and the simplification and rationalisation of import, excise and some consumption taxes. Property tax reforms have already been approved by Parliament and the new rates commence as of April 1st.

It must also be noted that after years of repeated price increases as a result of devaluations of the rate of exchange of the Jamaican dollar, a competitive rate was eventually reached, and the rate of exchange has now levelled off at J$5.50 to US$1. As long as this continues, the upward movement of prices of basic items caused by devaluation should cease.

New feeling

The end result of both the successful effort to keep the economy on course and to stabilise the rate of exchange is that there is emerging a new feeling that the worst has passed and a new mood of optimism that the country can now at last settle down to more productive endeavours.

In his presentation to Parliament later this month, the Prime Minister will outline these areas of productive endeavour which will do much to restore buoyancy to the economy over the next two years.

The giant task which the Government undertook to restructure the economy so as to reduce our dependence on bauxite was pursued throughout the past year. Mining still remains the most significant sector of the economy in terms of production and undoubtedly will remain so for many years. The concentrated efforts of the strategy to structurally adjust the economy are intended to build up tourism, agriculture and manufacturing without reducing attention to bauxite and alumina.

Production declined further last year in this sector but the international market has now begun to settle and hopefully the recent trend of gradual improvement will now continue.

Vacation land

We recall the damage done to the image of Jamaica as a stable vacation land when two days of demonstrations in January last year were grossly exaggerated in the foreign Press resulting in a reduction of the projected number of visitors for the year. The end result is that after resumption of growth in tourism in 1981, 1982, 1983 and 1984, last year showed virtually no growth and the foreign exchange that should have been earned during last year but which did not materialise because of bad publicity has now been set at US$50 million. Perhaps a lesson has now been learned that a problem cannot be solved by creating a greater problem.

In this year, full resumption of growth is expected. A new promotional ad on Jamaica has been prepared and is being televised in North America. The harassment of visitors has been one of the greatest deterrents to tourist preference for Jamaica today. The Courtesy Corps, recently created as a result of the determination to bring to a halt the harassment of visitors, is now active, and licensing of operators within prescribed tourism areas is taking place. We have already seen tangible results and high priority will continue to be given to this problem.

Food crop

The agricultural sector showed mixed results last year with some down-turn of production in the domestic food crop sector and in sugarcane in particular. Neither of these developments should be misinterpreted. The domestic food crop sector was affected by drought, followed by floods and more costly inputs as the price of fertiliser, tools and animal feed increased. The fall in sugarcane output is part of the rationalisation programme to reduce acreage in sugarcane to levels of supply targeted to the only profitable markets for sugar — the European Economic Community and the local market.

Gains continue to be made in the export of ethnic crops produced by small farmers, and in several of the traditional crops, such as coffee, cocoa and citrus. Significant gains have also been made in new export crops such as winter vegetables, ornamental plants and flowers, and in the programme to substitute imports of rice and corn, in particular.

Legislation is being drafted to protect farmers who supply produce on credit or consignment for export.

The export of winter vegetables expanded from 20 million lbs. last year to over 36 million lbs. this year and is now on course to become the largest single agricultural export earner in the near future. Both rice and corn production commenced seriously this year. Coffee and banana production, as a result of new plantings, is beginning to show some of the substantial increases expected which will double the production of coffee and increase banana production four-fold by 1989.

Rapid strides

What is more, the programme to put idle and under-utilised land to work under Agro 21 is making rapid strides as the demand for land to produce rice, corn, coffee, flowers, ornamental plants, winter vegetables, spices and to expand livestock and fish production continues unabated. Some 22,235 acres are either already in production or in the final stages of negotiation for lease divestment.

Likewise, the Ministry of Agriculture is divesting 75,000 acres of which sale of 40,000 acres has already been made to small farmers.

With all this, interest and involvement in agricultural investment continues to run higher than in any other sector.

Some areas of the manufacturing sector have shown signs of improvement. More than any other sector it has borne the brunt of policies designed to reduce consumer purchases so as to reduce pressure on imports and on the rate of exchange of the Jamaican dollar. In addition, the CARICOM export market declined significantly as a result of trade and payment problems in certain CARICOM countries.

The devaluation of the Trinidad and Tobago dollar and recent interchanges of visits between the Prime Minister of Jamaica and the Prime Minister of Trinidad and Tobago are beginning to show results which should bring meaningful expansion of CARICOM trade this year.

Interest rates

But the main aspects of the economy which must be addressed to generate increased production of manufactured goods, are the level of interest rates, the nature of incentives and the cost of exports.

In the Throne Speech of last year, it was noted that a comparative advantage and incentive study was being carried out by the World Bank and would be submitted to the Government on completion. The study has been completed and the Prime Minister will address the policy implications of this exercise in his presentation of the Budget later this month.

Meanwhile, some sub-sectors of the manufacturing sector continue to show substantial new growth, notably in garment production. Over the past five years the number of firms in export garment manufacture has increased from six to more than sixty and employment from 2,000 to more than 13,000.

Recently, the minimum wage in garment manufacturing was increased to $90 per week and no one should today be earning less, after completing the training period.

Construction

The construction sector too has suffered a sharp decline. The steep increase in mortgage rates has been a further consequence of high interest rates. Together with increased building costs, mortgage financing for the housing sector has been seriously affected.

Relief for this sector can only be achieved through a combination of reduced building costs and creative financing measures to achieve lower mortgage rates. Both approaches are under study as a matter of the highest priority.

Jamaica's economy is linked to two commodities above all others — bauxite and oil. The increased cost of imported oil was more than covered in the 1970's by the introduction of the bauxite levy. With the considerable fall in bauxite levy earnings over the past three years, however, the increased payment for oil has far exceeded the levy receipts.

Recently, there has been a dramatic decrease in the price of oil. This has come as a welcome relief to the Jamaican economy and will result in at least $200 million in improved revenue flows to the Government. In addition, the economy will benefit by an even greater amount through the reduced cost of electricity, asphalt and other items using fuel oil and other non-controlled petroleum products.

Electricity bills

These reductions will result in decreases in electricity bills which should show a fall of 16.2% between November last year and the end of this month. It is to be expected that other commodities in which electricity is a substantial part of costs, should also begin to show price reductions.

The Government will continue its programmes for the development of peat and hydro electricity to reduce dependence on imported oil.

Last year the rehabilitation programme of the Jamaica Public Service Company was completed and the 40-megawatt slow-speed barge-mounted diesel generator was commissioned as projected in the Throne Speech last year. There is now, as a result, for the first time in many years surplus power to meet peak demands.

The Rural Electrification Programme succeeded in establishing 1,845 miles of rural service lines serving 280,000 persons. It will continue this year with 145 projects covering 160 miles serving 21,000 residents. In addition, over 1,000 street lamps will be installed in 200 villages throughout Jamaica which, notwithstanding the existence of power lines, still suffer from inadequate lighting or have no lights at all.

The Yallahs Diversion Scheme has been completed as projected and will be commissioned by April 21 at which time, working in concert with the Negro River Diversion Scheme, up to 23 million gallons of water will flow daily into the new intake of the Mona Reservoir.

Catchment tanks for farmers

The production segment of the Mandeville Scheme is programmed to be completed very shortly and the distribution segment by the end of the next financial year. Approximately 22 schemes will be completed this year to provide supplies for approximately half a million persons in addition to providing sewerage for 200,000 persons.

This year will also see the commencement of an internationally funded programme to provide catchment tanks for farmers. One hundred and sixty tanks will be constructed.

Spare parts and new pumps for defective water supply schemes have now been received and installation and repair work has commenced in a number of schemes.

The Telephone Company completed 3,788 new lines between January 1985 and March 1986 and will be completing an additional 4,000 this year, thereafter 8,000 per annum.

The radar system to aid Air Traffic Controllers in the programming of flights and detection of illegal flights is in the process of installation.

The Urban Transportation Network was recently restructured into packaged routes in Kingston and Montego Bay, based on franchise operations. A demand survey is being undertaken to determine the number of new buses required to replace and increase the existing stock based on which importation will be effected.

Road programmes

The focus of attention in the Estimates of Expenditure which will be tabled in Parliament tomorrow will be expenditure on roads. Over the past ten years inadequate expenditure on roads has resulted in severe deterioration of the road network. In part, this is due to the lack of adequate funding to maintain roads once repaired.

In the Estimates this year, provision has been made for some $200 million of expenditure to deal with all categories of roads. Previously, road programmes covered highways, rural roads with demonstrated economic benefits, and the Kingston Metropolitan Region. There were no provisions for two vital categories — rural roads with heavy populations, but not necessarily serving areas of high agricultural market value, and townships outside of Kingston. The Estimates this year include all categories of roads and begins a programme which the Government proposes to maintain in subsequent years until the backlog is overtaken and the road network is once again in good condition.

The Government has completed the programme of constructing new markets and restoring old ones in urban and rural areas. Last year 20 markets were refurbished. This year construction will begin on a 3-year programme to develop the market system in West Kingston, where the island's four major markets are located, to accommodate 12,000 vendors of food, garments, harberdashery and craft items. This represents a substantial increase in accommodation for the thousands of vendors who cater to the thousands of persons who shop in this area mostly on the streets.

Education

The Government of Jamaica is pursuing its commitment to the development of our human resources by the evolution of an integrated and coherent education system, beginning with a sound primary education, followed by secondary education geared to the world of work and an expansion of educational opportunities in art, science and technology at the tertiary level.

To this end 14 new primary schools and also 4 special classrooms for handicapped children have been completed and are now in use. Twenty-two more primary schools are in an advanced stage of construction and 150 primary schools are being repaired. The long-needed school books have been supplied to all primary school children over the past two years and the improved school feeding programme for some 480,000 children is in place.

Major improvements have been effected at the seven technical high schools and four new secondary schools are being equipped with improved laboratories for technical and vocational education.

At the tertiary level new buildings have been erected at the College of Arts, Science and Technology to house the Department of Technical Education and Computer Science. A new library has also been built. Arrangements are being finalised for a University Awards Council which will grant accreditation for degree programmes at CAST and at the College of Agriculture. This will maximise the use of existing educational facilities and resources while ensuring high standards of academic excellence.

Students' loan

Students at the University and at CAST will be required to contribute to the economic cost of their training. The Students' Loan Bureau is being upgraded to handle the increase in loans to cover the cess to be paid by these students commencing in the academic year 1986/87.

The H.E.A.R.T. programme also continues to expand. There are now 5,135 school leavers in the programme of apprenticeship to business firms. Additionally, 1,457 are in academies which provide training in a selected skill up to one year. So far, this training is provided in business, construction, cosmetology and garment industry skills. This year, training will commence in agriculture and hotel and catering services as two more new academies will be completed. Additionally, 5 youth camps are being converted to academies to carry out training in areas which include handicrafts such as shoemaking and leatherwork, repairs and maintenance, horticulture, landscaping and business training for Solidarity projects.

The Solidarity programme now has 1,100 projects listed covering all areas of the island. One hundred and twenty have so far been submitted to the Self-Start Fund for financing of which 100 have been approved. Delays were encountered in the lending programme of the Self-Start Fund which have now been overcome enabling processing to proceed smoothly in the future.

Food stamps

The Food Stamp Programme has almost achieved its target of issuing stamps to 400,000 beneficiaries, 200,000 of whom are elderly and/or indigent, and over 150,000 expectant mothers or mothers with young children from infancy to pre-school age.

The health services, like education, were rationalised last year to reduce expenditure. A number of general hospitals were converted into cottage hospitals which will offer much improved out-patient services and will greatly expand areas such as dentistry and primary health care to the existing services. Patients requiring prolonged hospitalisation will be transported to the nearest general hospital.

Under the new programme the general hospitals will be upgraded to offer a wider range of improved services. A study is being conducted this year to determine the precise improvements required. These will be financed in a new project for rehabilitation of secondary health care services with assistance from the Inter-American Development Bank to commence next year, and is designed to give the people of Jamaica first class medical services.

Sweeping changes

Hospital and clinic services will follow the pattern of the Government's policy to divest areas of operation to the private sector commencing this year with a programme to privatise the management of two hospitals to professional management organisations with the objective of providing improved health care for the given dollar of expenditure. The programme will be spelled out in the Budget presentation.

The privatisation of Government services has produced much improvement, and in some cases, excellent results in areas recently provided by the K.S.A.C. and Parish Councils in public cleansing, markets, parks and other related activities.

The logic of the Government's policy to re-direct Local Government Authorities to manageable areas of operation and to privatise these to obtain better results, is now to be seen in the light of the known successes, and vindicates the Government's determination to implement these Local Government reforms, despite the protests of traditionalists, in order to ensure that better value and improved quality of service is given for every dollar spent to provide services to citizens.

These reforms are the most sweeping changes ever made in the history of Local Government, and will provide a viable Local Government service which is not riddled with inefficiencies, condemned by an image of incompetence, and saddled with programmes it was ill-equipped to carry out. Future councils can take pride of accomplishment of some prescribed areas of endeavour, rather than suffer the embarrassment of repeated failues in too wide a scope of responsibilities.

Labour relations

This past year has been a restless year for labour relations in the public sector arising from disputes over wage and salary increases. The hardship of increased costs has made the burden of coping with the necessities of daily life extremely hard to bear. But there is also the inescapable necessity of running the country with reduced levels of resources because of collapse of the bauxite market, a reality which cannot be ignored.

In this light, the salary regrading last year of nearly $120 million by the Government, the largest ever, when coupled with the $130 million provided for this year, has to be regarded as the best effort possible in these circumstances. The country works and hopes for the day when greater improvements are possible, but that will only come through greater effort, not less.

The Security Forces continue to do the commendable and difficult job of maintaining law and order. The programme to up-grade their equipment will be stepped up this year.

A new police station will be constructed at Negril and that at Central Village will be completed. The fleet of police vehicles will be substantially increased in all categories and a major programme to improve the radio communication system commenced.

New trade arrangements

The Jamaica Defence Force which was equipped with a new Coast Guard launch last year, will re-fit other launches this year, improve telecommunication capabilities and increase the strength of the fleet of vehicles used for operations.

A significant increase in funding has been proposed to tackle the vital job of refurbishing court houses, particularly the Supreme Court Building to erase years of inadequate attention.

Once again Jamaica took lead roles in advancing initiatives vital to the region. Civil strife, which could have disrupted the stability of the Caribbean, endangering tourism and investment, and causing the loss of thousands of lives, was averted in Haiti.

The President of the United States announced in Grenada welcome new trade arrangements for the garment sector based to a large extent on the initiative of the Government of Jamaica in spelling out the responsibility of a new regime using U.S. textiles to obviate a perennial clamour for protectionist legislation in the U.S. Congress.

Theme of peace

In the United Nations, Jamaica continues to present forceful arguments to combat apartheid in South Africa and took the opportunity of the 40th anniversary of the United Nations to restate our unswerving rejection of this inhuman system.

Jamaica continues to promote a balanced foreign policy advocating moderation. In an address in Port-of-Spain to the West Indies Jaycees last month, the Prime Minister defined the prevailing mood of the Caribbean fundamental to the current direction of the region as a "sea of moderation."

The Government has consistently endeavoured to reinforce the themes of peace, stability and moderation in contrast to the virulent rhetoric and revolutionary posturing of the 1970's.

Despite the economic shocks experienced from the adjustment process, the Government has guided the nation with a firm but steady hand, avoiding the pitfalls of extreme options.

The Government has given expression to its deep commitment to the democratic and human rights ideals, so that whilst we combat our economic problems, barriers to freedoms must be broken down, new institutions for freedoms must be created and old institutions strengthened.

The long period of austerity and sacrifice has set the stage for Jamaica to advance to the next phase of new growth over the next two years if we seize the opportunity well.

Sacrifices

The fact that the Capital Budget which is to be tabled tomorrow is twice the size of that of last year is no accident. It is the fruit of the sacrifices of the people over the past year, guided by firm and determined leadership by Government to generate substantial savings from cuts in expenditure and increases in revenues through new taxation. Together with expected savings from reduction in the price of oil, Government will now be able to tackle many areas of prolonged neglect.

We must grasp the opportunity urgently to build on this new base to secure a better future, because the worst is now behind us.

Let us devote this year to achieving the best performance of this decade so that we may next year enter the milestone period of the 25th anniversary of our independence, looking forward with strength, renewed hope and confidence.

Next year will also be the 100th anniversary of the birthday of our first National Hero, Marcus Mosiah Garvey, the observation of which will be a fitting prelude to the celebration in 1988 of the 150th anniversary of the full emancipation of slaves in Jamaica. To mark these events Jamaica looks forward to hosting Carifesta and sharing with the wider Caribbean family the recognition and celebration of these important milestones in our history.

Let us therefore resolve that this will be the year that the fruits of the adjustments of the last three years will mature and, that the harvest will go towards easing the burdens of personal sacrifice.

Let us equally realise that benefits will flow only if work, dedication and discipline continue to be the precepts by which our efforts will be guided this year.

If we move forward with renewed determination, there will be much to celebrate next year.

May God strengthen our resolve and guide our deliberations throughout the year."

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JAMAICA

HOUSE UNIT PROPOSES INCREASES IN BUDGET ALLOCATIONS

Kingston THE DAILY GLEANER in English 18 Apr 86 pp 1, 3

[Text]

The Standing Finance Committee of the House of Representatives has recommended an increase of $16 million in the allocations in the 1986/87 Budget with major new provisions for rural water supply systems.

The Report of the Committee, which comprises all Members of the House and which met between April 8 and 10 to study the Estimates, was laid in the House of Representatives yesterday.

The revised Estimates are to be debated in the Budget Debate, which Prime Minister Seaga will open at Gordon House next week Thursday.

According to the Report, the Committee slashed $65 million from Recurrent Expenditures, and added $81 million to the Capital Expenditures. It urged that the Recurrent Expenditures be reduced from the originally proposed $3,641,163,000 to $3,576,163,000, and that the Capital Expenditures be improved from the $2,174,586,000 to $2,255,586,000.

In the Recurrent Estimates the committee recommended that:

In the Ministry of Finance, obligations to commercial enterprises denominated in U.S. dollars —which provision was for $342,217,000 — should be decreased by $55 million.

Under the same Ministry the provision of $42,268,800 for Devaluation Expenses is to be decreased by $10 million.

In terms of Capital expenditures in the Ministry of Finance, it was recommended that the Agricultural Credit Bank/Government of Jamaica's exports crop programme, assisted by a World Bank loan, which had a provision of $32.2 million should be increased by a reserved provision of $60 million.

In the same Ministry's Rural Farm Credit Programme, partly financed by the Inter-American Development Bank, which had an allocation of $32 million should be increased by a reserved provision of $18 million.

In the Ministry of Industry and Commerce, a increase of $400,000, up from $1 million, was recommended for the Bureau of Standards. This provision is for the replacement of equipment which had become, old, inefficient or obsolete.

In the Ministry of Public Utilities and Transport, the provision of $10 million for Major Water Supply Schemes in rural areas operated by the National Water Commission is to beincreased by $11,049,000. These funds are to be used to investigate the water supply needs of the island for which the NWC is responsible; planning design and construction of major water supply systems; and, the production of water for bulk sale to Parish Councils.

Also in the Ministry of Public Utilities, the provision of $10 million for financing work on the Greater Mandeville Water Supply Projects is to be increased to $15 million.

In the same Ministry it is provided that:

- $807,000 be added to the $½ million allocated for constructing a pipeline to provide six million gallons of water per day from Castleton to supplement the Hermitage Dam;
- That the $5m provided for replacement of defective pumps in urban and rural water systems and for spares to bring water production up to proper utility standards be deleted;
- That the$9.7m for technical assistance in upgrading the distribution system be increased by $4.7m; and, that the provision of $24.6m under an Italian Government loan to provide adequate water for areas like Lionel Town, Guy's Hill, Yallahs, Spanish Town and Mocho be decreased by $16.6m.

Consequent on those recommendations being approved by the House, the Recurrent Estimates would read as follows: Programmes would remain at $2,201,163,00, as in the original Estimates; Public Debt payments would fall from $1,440,000,000 to $1,375,000,000; and, the total expenditure would drop from $3,641,163,000 to $3,576,163,000.

On the Capital side: Programmes would increase from $1,272,586,000 to $1,353,586,000; Public Debt charges would remain at $902 million; and, total Capital Expenditure would jump from $2,174,586,000 to $2,255,586,000.

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JAMAICA

PNP RAPS THRONE SPEECH, TAX BURDEN IMPOSED BY JLP

Reaction to Speech

Kingston THE DAILY GLEANER in English 29 Apr 86 p 1

[Text]

THE PEOPLE'S NATIONAL PARTY yesterday said that last week's Throne Speech opening the new parliamentary session was "purely partisan in its political overtones" and was "obviously prepared with an election in mind."

The Party said its "Shadow Cabinet" had studied the speech on Monday and expressed concern that:

(1) The occasion was abused to falsify the record of the 1970s and to put in the mouth of the Governor-General palpable political propoganda;

(2) The stock assurance that the 'worst is behind us' was repeated on the very same day when an increase of price for cooking oil was being announced;

(3) There is no indication of a social programme or economic strategy which gives the slightest ray of hope to the poor and suffering or encourages any sign of a turn-around in levels of production; and

(4) "The speech, like the JLP's Election Manifesto of 1980, 'Change without Chaos' is a transparent ploy to deceive the electorate once again. This 1986 version was obviously prepared with an election in mind."

A release from the party said that Monday's meeting also considered reports that were a cause for real anxiety.

These included the continuing spate of redundancies, while those laid off could not receive severance pay to meet their financial obligations; closure of businesses and the tight credit squeeze; and the collapse of the construction industry.

The party said it was insisting that Mr. Seaga level with the nation and say how it was proposed to provide maximum benefits to all from the windfall obtained through reduced oil prices. It noted the promise to commit $200 million for a road construction and improvement programme, but said it did not regard this as a sufficient response to the Party's seven-point demand.

Blast at Tax Record

Kingston THE SUNDAY GLEANER in English 13 Apr 86 p 1

[Text]

The Hon. Alfred Rattray, the PNP's Shadow Minister of Industry said on Thursday that since 1981 over one billion dollars of new tax had been imposed by the government and this was "more than has been imposed by all previous Jamaican governments combined."

Addressing the closing exercise of a Management Development course for small businessmen and women organised by the Small Business Development Centre, at the auditorium of the Jamaica National Export Corporation, Waterloo Road, Mr. Rattray said, "When you look at the level of government revenues compared with 1980 it tells a revealing story of the burden of taxation imposed upon the Jamaican people over the past five years."

"From time to time every government will have to impose some tax or the other to run the country or to undertake its development, but the taxation by this government is little short of confiscatory. Since 1981 over one billion dollars of new tax has been imposed — more than has been imposed by all previous Jamaican governments combined — and the taxation onslaught is continuing."

Mr. Rattray said that the goverment has also invariably passed on to consumers "real or fancied increases in commodities" and has refused to adjust the prices of critical commodities when import prices have reduced. He pointed to such commodities as: gasolene and other petroleum products, cement, electricity and water rates.

He called this "immoral" and said that the government, by refusing to reduce cement prices declaring instead that the considerable savings from vastly lower petroleum prices should be retained by the company to finance its capital investment, was "in effect a form of taxation imposed by edict".

Mr. Rattray charged the government with misusing its power to sanction "the deliberate overcharging of purchasers of cement to contribute to the capital of the cement company".

He said that it was the small business sector like other citizens of middle and low income groups which had suffered most from the government's policies.

He said that the Throne Speech read by the Governor General was "...not his speech and cannot be represented as expressing his personal views".

Certificates were presented to 61 persons who had completed the Small Business Development Centre's training course.

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JAMAICA

SEAGA DEFENDS SUPPLEMENTARY ESTIMATES, DIVESTMENT POLICY

Kingston THE DAILY GLEANER in English 1 Apr 86 p 13

[Text]

Prime Minister Edward Seaga has said that the Government was not diverting from its policy of divestment by allocating $50.7-million in the Second Supplementary Estimates 1985/86 for purchasing shares in companies and corporations.

Mr. Seaga, speaking in the debate on the Estimates in the House of Representatives on Wednesday, said the matter had been reported (by the media) in a manner which appeared to indicate that it was an alarming amount and that the Government seemed to be moving in the opposite direction to its policy of divestment.

He said that the fact of the matter was the Government would continue to own a number of corporations, including those connected with utilities, mining and petroleum, and from time to time would have to increase equity in those corporations. If the corporations were to expand their operations and seek the necessary loans to do so, their equity base had to be expanded.

Of the $50.7-million, he said that Jamaica Sugar Holdings (JSH) would get $26- million. JSH is a new corporation which is taking the place of the National Sugar Corporation (NSC), and around which the sugar industry was being rebuilt. It would own the West Indies Sugar Company which operates Frome and the Clarendon Sugar Company which operates Monymusk, which are the two companies around which the industry was being rebuilt.

Speaking on the ownership of the JSH, he said that 37% was owned by the Accountant General on behalf of the Government, 20% by the National Investment Bank of Jamaica and 43% by the Sugar Industry Authority, all three representing the public's interest at this time.

Mr. Seaga said: "The equity which we have put into the Jamaica Sugar Holdings, is the required amount to enable us to borrow $30-million from the World Bank, as part of the funds which are required to enable the refurbishing of Frome and Monymusk to be completed, so as to put them in top condition for carrying out the expansion programme at those two estates and to meet the targets which we have set ourselves."

Also included in the total sum, was money to deal with outstanding agreements in respect of NAMUCAR, the joint venture shipping concern established by the last Government during the 1970s, which includes Jamaica, Cuba, Nicaragua, Costa Rica and Mexico.

He said that the shipping line had been set up to facilitate inter-regional trade, but had been "a signal failure." At the present moment, the Government was taking all steps necessary to extricate itself, because it was a company with perennial losses.

Mr. Seaga said: "And indeed, the only thing noteworthy about it was that it came to public attention when it was found smuggling weapons, I think it was: it was one of the ships found scuttling various types of arms into Nicaragua. In fact, I don't think it has ever come to Jamaica as a port of call bringing any goods here, or taking any goods from Jamaica."

The country was also obliged under an agreement with Air Canada, which when Air Jamaica was set up owned a certain percent of those shares, to pay from time to time on an instalment basis, an amount equivalent to repurchasing shares from Air Canada to give effect to 100% ownership of Air Jamaica by the Government of Jamaica. This accounted for $284,000 of the amount.

The Port Authority under its agreement with the World Bank has to provide, from time to time, a contribution in equity in respect of the Kingston Free Zone, the development of which is financed by the World Bank. This accounted for $1.3-million.

Air Jamaica, which from time to time was involved in heavy capital investment such as the lease purchase of the airbus, also had to be given equity provisions to meet its obligations, and in this instance $22-million had been provided to allow the airline to meet those commitments in terms of the lease of the airbus.

"It can be seen that this does not in any way run contrary to the Government's divestment programme, because these are not items which are part of the Government's divestment strategy. These are not enterprises to be divested, they are enterprises which have to continue to be owned by the Government and will from time to time require equity investment to enable those entities to be able to borrow more," he said.

Mr. Seaga said that a provision was made under the Ministry of Finance of $8 million to discharge debts owned by the Urban Development Corporation (UDC) of $3.1 million, and to complete the final payment for the acquisition of Laughing Waters property in St. Ann by the UDC of $4.9-million.

He explained that under the Ministry of Finance, there was a loan provision to the NSC of $30.8-million to cover redundancy payments at Holland totalling $3.8-million, and to ensure a debt-free start-up for JSH in operational capital, by relieving the NSC of debts owed in terms of statutory deductions not paid over, which would have carried over to Jamaica Sugar Holdings.

This was part of the Government's agreement with both Tate and Lyle and the World Bank and would account for $27-million.

Mr. Seaga said too that the additional $15-million allocated to the Ministry of Tourism, would pay for new television advertising to be used in North America, as the previous one, which had been in use since 1981,had outlived its usefulness. Already, there had been an upturn in bookings since the new advertisement appeared.

Under the Ministry of Health, just under $1-million was provided to complete the Comprehensive Health Centre, under construction at Slipe Road, Kingston, as part of the Ministry's objective to provide proper clinics to ease the pressure off the major hospitals. Some $4.6-million was granted to the Ministry of Industry and Commerce to meet the cost of operational expenses in respect of the agreement with Kirk Salmon Associates consultants in the apparel sector.

Speaking on the reductions in the Estimates, he said that in the case of the $14-million cut from the allocations to the Agricultural Credit Bank (ACB), the amount did not represent a cut in inflows to the bank. It was originally programmed as a loan to the Government, which would have required them to come through the budget, but was later renegotiated as a direct loan to the ACB.

The $10.2-million reduction in the World Bank export crop loan to the ACB was also affected by renegotiation and in the next financial year there would be a stepping up of lending in that area.

On the $15-million reduction in the Energy Credit Fund through National Development Bank, he said that firms had not been using the provision to have energy audits done to determine how to save on electricity, though these were the same firms complaining about high energy bills. There have been very substantial savings for those who have used the Funds.

On the $14.4-million cut in the Rural Farm Credit programme of the ACB, he said this arose from a change in the direction of the programme. Originally slated to cover four areas of the island, it was eventually decided to cover all areas and adjustments have been made and lending will step up next year.

On the reduction of $10.4-million in the agro-business development project of the ACB, this particular area has plenty of potential for next year, but this year was not used as actively as was expected.

The $28-million cut from the JNEC's marketing programme budget, was cut as a result of a new USAID loan to Jamaica to assist in getting together foreign purchasers and local suppliers through brokerage firms. The new programme called 'JA-MEXPORT', would allos Jamaica to get U.S. brokerage firms to assist in getting local supplies through to U.S. purchasers.

On the over $23-million cut from the road and transport improvement programmes, Mr. Seaga said that there had been delays, including the implementation of programmes dealing with the maintenance of the highway network of the country.

On the small scale mini-hydro project under the Ministry of Mining which suffered a $7-million cut, he said that this had also been delayed but was expected now to be signed between April 14 and May 14.

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JAMAICA

1986-87 BUDGET PROPOSAL SHOWS INCREASE IN EXPENDITURES

Major Provisions

Kingston THE DAILY GLEANER in English 4 Apr 86 pp 1, 3

[Text]

A $5.8 BILLION BUDGET, representing a 22.9 percent increase over last year's provisions, was tabled in the House of Representatives yesterday.

As forecast in the Throne Speech, the Estimates of Expenditure tabled by Prime Minister Edward Seaga reflected a doubling of capital expenditure.

The Estimates, increased by over $1.1 billion over last year's $4.7 billion, show the following figures in summary:

Recurrent Estimates: gross expenditure of $3,682,211,000, minus appropriations-in-aid of $41,048,000 to give a net expenditure of $3,641,163,000. This compares with net expenditure lastyear of $3,258,620,500.

NetCapital spending was put at $2,174,586,000.This compares with last year's $1,445,374,000.

The total allocation for the financial year 1986/87 being$5,815,749.

The Prime Minister explained to newsmen at the end of yesterday's sitting that, minus debt servicing charges, the Recurrent Budget would be$2.2 billion this year compared to last year's $1.958 billion, and the Capital Budget would be $1.284 billion compared to last year's $605 million. The increase in expenditure minus debt charges would be $821 million, with $679 million for Capital Expenditure alone.

In the Ministry of Finance, there is authorised Capital Expenditure of $788,361,000 for repayment of loansand $91,639,000 as contributions to the SinkingFund, while expenses for theraising of loans totalled $12 million.

The Estimates are to be studied by the Standing Finance Committee of the House,which will start meeting Tuesday morning at ten and has been allocated an initial three days to complete the study.

In the Ministry of Tourism, an additional $74.9 million has been allocated to the Jamaica Tourist Board, increasing allocations to $144.1 million. The amount is to finance the development of tourism and involves the promotion of the tourist product mainly through a television advertisement recently developed.

The Ministry of Construction (Works) gets $25 million for the constructionof new main roads and the reconstruction and major improvements to existing main roads in order to increase capacity, as well as $3.3 million for periodic (preventative) maintenance of arterial, secondary and tertiary main roads network and $8.8 million for the maintenance of some 60% of Township Roads.

There are also allocations of: $3.6 million for the improvement of roads in New Haven, Newport West, Washington Gardens and Patrick City, in the Corporate Area; $5.2 million for re-sealing and overlaying of non-public transportation thoroughfares which are not catered for under the Kingston Metropolitan Region-Urban Transportation Project (KMR-UTP); and, $20 million through a Jamaica/World Bank agreement for road improvement and maintenance.

The budget for the KMR-UTP, which is to provide improved facilities for the movement of people, goods and commodities in the Kingston Metropolitan Region, was increased from $11 million to $25 million and that for the Rural Roads Improvement Programme from $23 million to $36 million.

Metropolitan Parks and Markets (MPM), which has been assigned, among other things, the street cleaning functions formerly administered by the KSAC, received $30 million, recurrent, as well as $9 million for capital works.

The Students' Loan Bureau, which had been promised increased assistance to help tertiary students now needing to pay a portion of their fees receives $19.2 million under the Capital Estimates to assist those students.

The Rural Farm Credit Programme which is to establish a revolving credit fund to serve the production needs of small hillside farmersmainly involved on cultivating basic foods on farms from two to 10 acres, which suffered last year from delayed negotiations, gets $21.4 million more increasing its allocation to $32 million.

The Urban Development Corporation (UDC) also gets $33 million, an increase of $13 million over last year, for the Rural Townships Development Programme, which is intended to improve a wide range of social amenities and facilities in several rural towns including health, water, housing, transportation and recreational facilities.

The Ministry of National Security is allocated $367,706,000 made up of $343,591,000, recurrent, and $24,115,000 capital.

The Jamaica Defence Force (JDF) had its Recurrent budget increased by $19.3 million to $117,300,000. However, while the Police will get an increase of over $10 million for the purchase of vehicles in the Capital figures, there has been a decrease of $7 million for the purchase of equipment for the JDF.

In the Ministry of Justice, there is an increased allocation of $3.2 million for construction of new courthouses as well as capital improvements and approximately $3 million for improvements to prisons.

The Ministry of Finance, as usual, takes the largest cut of $3,054,732,000 made up of $1,741,229,000 recurrent and $1,313,503,000 capital, mainly because of the huge debt servicing amounts, as well as funds which are to be later disbursed to other Ministries such as the $30 million for spending in the Local Development Programme (LDP) which gives each M.P. $500,000 to meet local needs.

In this Ministry, as well, $17.4 million has been allocated to the UDC, with IDB assistance, forthe redevelopment of the markets in West Kingston, namely the Coronation, Queens, Redemption Ground and Solas and their environs.

The Ministry of Education is allocated $587,188,000 made up of $519,458,000, recurrent, and $67,730,000 capital.In this Ministry there is an addition of $30.5 million improving the total for grants to the University of the West Indies from last year's $64.5 million to $95 million, this year. There is also a provision of $8.6 millionover last year's figure to enable the Ministry topayfor the Schools Library Service which is administered by the Jamaica Library Service.

The Ministry of Health is allocated $382,217,000 made up of $337,517,000, recurrent and $44,700,000 capital.The allocations to the Cornwall County Health and the South East Area Health Administrations were increased by $9 million and $7 million, respectively.

There were increased allocations in primary health care on a parish basis of between $1.6 million and $5 million.There were also increased allocations too for secondary and tertiary health care services of upto $2.2 million. Grants to the University Hospital were increased by $4 million to $44 million.

Some $1.1 million is provided for the St. Ann's Bay Hospital's sewerage plant. The Health Management Improvement Project, assisted in funding by the USAID for manpower development, nutrition, supply management, health information and refurbishing health centres, is to get $21.5 million.In addition, under another multilateral/bilateral programme, this time involving the EEC, an extra $5.6 million has been provided for the construction, beginning May, of a new Public Health Laboratory.

In the Ministry of Public Utilities and Transport, the Rural Electrification Programme, which is aided by the EEC, is being increased to $11 million from last year's $5 million, while $4.6 million extra has been allocated for improving water and sewerage projects in the Corporate Area.

Some $24.6 million has been allocated as well for a programme designed to provide adequate water supplies for areas such as Lionel Town, Guy's Hill, Yallahs, Spanish Town and Mocho and to provide a telecommunications system linking all National Water Commission Stations.

Some $25 million has been provided for installing radar equipment for air navigation and $ $17.4 million for rehabilitation and development works at the two international airports.

Budget Highlights

Kingston THE DAILY GLEANER in English 4 Apr 86 p 1

[Text]

BUDGET HIGHLIGHTS

	1986/87 ($ million)	1985/86 ($ million)	% change
Recurrent	3,641	3,284	+10.9
Capital	2,175	1,448	+50.2
TOTAL	**5,816**	**4,732**	**+ 22.9**

MAJOR MINISTRIES

Financing & Planning			
Recurrent	1,735	1511	+14.8
Capital	1,314	950	+38.3
Education			
Recurrent	519	495	+4.8
Capital	68	37	+83.8
Health			
Recurrent	310	279	+11.1
Capital	45	20	+125.0
Agriculture			
Recurrent	64	62	+3.2
Capital	108	45	+140.0
Construction			
Recurrent	76	73	+4.1
Capital	205	125	+64.0

The above table shows the Government's emphasis on capital projects which are increased substantially; the containment of recurrent or housekeeping expenses is maintained.

/9274
CSO: 3298/414

JAMAICA

VAZ: EXPECTED GAINS FROM DEREGULATION NOT MATERIALIZING

Kingston THE DAILY GLEANER in English 1 Apr 86 p 16

[Text] The benefits which the Government had expected Jamaican consumers to derive from deregulation of the economy through free-market competition have not materialised, the Hon. Douglas Vaz, Minister of Industry and Commerce, said on Wednesday.

He said that competition had been expected to follow the dismantling of the licensing system, "but the competition is not happening. Everybody looks at what everybody sells for, and that's the price."

Mr. Vaz mentioned that petroleum-based products had come in for a "tremendous respite" as a result of the oil price windfall, but the consumer was not benefiting. There had been a proliferation of car-part distributors and other items such as flour, rice, fertilizer cooking oil and all the products made by Seprod had been deregulated. The items continued to be sold at the same price, however, although there were no formal cartels, he said.

Mr. Vaz made the comments at a function the Private Sector Organisation of Jamaica put on at the Terra Nova Hotel, Waterloo Road, Kingston, to announce plans for its 10th anniversary celebrations.

Challenging the PSOJ to take a careful look at the situation and comment on it, Mr. Vaz said that because Jamaica had existed as a protected economy, it was not yet remembered in many instances, that protection was over.

The consumer needed to be taught what competition was all about and to shop around where a price was considered high, Mr. Vaz said.

Stating that only the negative results of deregulation were the subject of speeches, he said it had a positive side. A positive aspect was that companies such as Seprod had been able to undertake public issues of shares because of deregulation. He said that Seprod could not have gone to the Stock Market if the Prices Commission was still in charge of setting its prices.

Mr. Sam Mahfood, President of the PSOJ, in commenting on Mr. Vaz's observation about the lack of competition, said that habits which were formed over several years, died hard.

"Those distributors who wanted to maintain the **status quo** somehow or the other, have found a way to keep it that way and the Jamaican population is paying that price. The Minister must look inwards to himself and to the policies of the Government, whereas the PSOJ is saying, 'Open the market and let it grow,'" Mr. Mahfood declared.

Mr. Vaz who congratulated the PSOJ on its Code of Ethics, expressed pleasure at the direction the organisation is now taking.

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CSO: 3298/414

JAMAICA

GOVERNMENT, FARMERS, PAPER IN DISPUTE OVER ST MARY AGRICULTURE

Ministry-GLEANER Differences

Kingston THE DAILY GLEANER in English 9 Apr 86 pp 1, 3

[Text]

Twelve agricultural projects and one agro-industrial project all valued at over $14 million have been implemented in St. Mary by the Jamaica National Investment Promotions (JNIP), the Ministry of Agriculture has disclosed in a statement to the **Gleaner.**

In addition, applications have been received by the National Sugar Company for the allocation of land on the Gray's Inn property to establish fish farms, coconut and horticultural projects.

Domestic food crops, cocoa, banana and coconut production have done reasonably well in the parish, the statement adds.

The statement was issued in response to a story in the **Gleaner** on Thursday, March 6, headlined "Farm crisis in St. Mary — JAS", and which said that "poverty was now rampant in St. Mary."

The following are excerpts from the Ministry' statement:

"No one can deny that some of the farmers in this parish, notably those who have relied on bananas and sugar cane, are undergoing a rough period.

Closure of the sugar factory of Gray's Inn has been a severe blow to the economy in and around the Annotto Bay area. But this is not the only area to have suffered from the closure of a sugar factory and the closure cannot be viewed in isolation from the economic fortunes of the rest of the sugar industry islandwide, and so seen as neglect of the parish of St. Mary.

The closure of Gray's Inn has been attributed to outstanding accumulated economic losses amounting to some $31.5 million by September 1983, without there being any indication of viability in the foreseeable future. Those losses did not begin in 1980 and if neglect of the factory was a contributory factor, then neglect at Gray's Inn did not begin in 1980.

In respect of bananas, it must also be admitted that the seeds of problems were sown for a long time and, as in sugar, the gestation period was long. The problems of bananas did not begin with any occurrence in 1980, inclusive of "Hurricane Allen." The decline in bananas in the parish of St. Mary began with pricing problems a long time ago, as farmers diversified out of bananas into other crops such as citrus, coconuts and cattle. The decline was accelerated during the 1970s under the Land Reform Programme, as a number of large farms in bananas were acquired and most of these subsequently went out of banana production.

...The fact that the parish no longer produces over 40% of the exportable bananas as mentioned in the report cannot be used to highlight neglect of St. Mary, since 1980.

....Indeed, banana production islandwide has declined to the point where the island exported only 12,738 tons in 1985. Nonetheless, St. Mary exported 3,098 tons of this, or 24.3%, and this production is coming from a mix of large and small farmers who found it feasible to remain in export bananas, and whose quality standards are still a credit to the industry.

....Without any doubt the down-turn of these two crops, sugar and bananas, has created hardship for the farmers but it does not mean the end of agriculture or the neglect of agriculture in the parish...

The report in the **Gleaner** of March 6 also suggested that other crops, example, cocoa and coffee, had declined dramatically. These are some facts:

● In St. Mary, cocoa has not declined in any year since 1980, beyond what may reasonably be ascribed to cyclical bearing — 1980/81 crop, 87,810 boxes; 1981/82 crop; 43,124 boxes; 1982/83 crop, 97,818 boxes; 1984/85 77,953 boxes. Compare the earnings also: 1980/81 $2.86m.; 1983/84 $3.57m; 1984/85 $4.33m. Clearly, the fortunes of cocoa have not declined.

● Coffee has declined as a result of drought and poor attention, but coffee, up to the present time, is a relatively minor crop in St. Mary.

● Coconuts cannot be said to have declined over the period under review. Figures from the Coconut Industry Board indicate that under their Copra Acceleration Programme since 1982, approximately 262,000 seedlings have been distributed and planted in St. Mary. Indeed the total of 554,000 trees planted in St. Mary represents 24% of all plantings under the programme islandwide. Hardly an indication of decline and neglect.

... ● Turning to domestic food crops, production in 1980 in St. Mary stood at 28,121 tons from 6,826 acres. In 1985, the production was 36,754 tons from 8,247 acres, and this even exceeds the good 1979 production of 34,792 tons from 8,558 acres. The greater production from fewer acres in 1985, represents improved productivity. Hardly a sign of decline and neglect in St. Mary.

● No doubt farmers in the parish suffered to the same extent as farmers islandwide from the problems in poultry and pigs, but in both of these enterprises, the market is recovering, and in beef cattle the main problem no doubt remains the praedial larcenist.

The question to be asked is whether the parish has been neglected in the agricultural drive which is being promoted by the various agencies of Government. The answer is no. A check with the Jamaica National Investment Promotions revealed that 12 agricultural projects and one agro-industrial project promoted by that organisation has been implemened in St. Mary, and the investment content of these projects is over $14 million. These projects indicate the diversification taking place in the agricultural base, as no fewer than eight are in horticulture, and others in cattle, vegetables and orchard crops.

While one may be critical of the speed with which alternative plans are implemened to ease the plight of the Annotto Bay area, it is not a matter of neglect, but of working out the feasibility of the plans to be implemented. Development plans have been worked out and are being implemented for the large scale production of bananas, citrus, coconuts, mangoes, pawpaws as well as ground provision, making use of up-to-date technology. This is being done in conjunction with the Jamaica Banana Producers Association at Agualta Vale, and on lands to be leased at Gray's Inn.

These plans are for the establishment of some 1,500 acres of bananas, already 230 acres are in place; over 220 acres of grapefruit; approximately 90 acres of oranges; 60 acres of mangoes, which are already planted, over 200 acres of coconuts, 50 acres of plantains and over 200 acres of pawpaws, as well as cattle and ground provisions.

In addition, on the Gray's Inn lands, applications have been received by the National Sugar Company for lands to do fish farming, pawpaws, vegetables, coconuts and horticultural projects. Surveying is currently being done to make lands available for these projects as well as to divide some 1,100 acres in lots for sale to smaller farmers.

Farmers' Reaction

Kingston THE DAILY GLEANER in English 12 Apr 86 p 1

[Text]

Vociferous shouts of "if something is not done for us farmers in St. Mary, we are going to declare war on you" and "we can't find where the $14 million of projects have been put in," were made by a shouting, cheering crowd of St. Mary farmers who filled the Richmond Prison Oval to overflowing on Thursday.

The farmers, who gathered in the oval to hear speeches by their leaders, said they found it difficult to understand all the pronouncements by the Minister of Agriculture, Dr. Percival Broderick, because many of these could not be found as reality.

One farmer, Mr. David Gyles of Annatto Bay, said:

"De Minister say we get $12½ million of credit, but in fact we have got nothing. Him tell we that $14½ million has been invested in the parish, but we can't find it. So I want to know what is happening. De Minister say small farmers have not been ignored. And if we have not been ignored, what then?"

A number of other speakers took issue with the particular statement by the Minister this week that St. Mary had not been neglected. They quoted figures to show that banana production had dropped from 58,000 tons a year to a mere fraction of what it used to be when the parish produced 40 per cent of the island's output; the single sugar factory, Gray's Inn, had closed down: twelve of 14 copra factories had closed down and milk production in the parish had disappeared. At the same time, the nurseries from which farmers used to obtain planting material, had been closed down. "If that is not neglect, then tell us how it go," said one floor member to loud cheers.

In statements directed at the President of the Jamaica Agricultural Society and at the Member of Parliament for the area, Mr. Alva Ross, both Mr. Gyles and other speakers from the floor shouted that if action was not taken to ease the economic crisis of St. Mary, the farmers were going to "declare war on you."

The major areas of concern, articulated by farmers speaking from the floor and summed up by the President of the JAS, Senator Courtney Fletcher, were: land for farming (in particular, Gray's Inn sugar lands); urgent steps to revive banana cultivation by all categories of farmers in the parish; expansion of cocoa cultivation; provision of credit at interest rates below 18 per cent; re-opening of the rail services in the parish; provision of markets, extension services and the removal of taxes on farm implements to enable these items to be sold at low prices.

By unanimous resolution, the farmers decided that the recommendations outlined by Senator Fletcher should form the substance of a plan to be submitted to Government as a matter of urgency.

Chairman of the meeting was Mr. Noel F. "Bishi" Walker, who said that the small farmers were not against big farmers. "All that we are saying is that the small farmers must not be sacrificed on the altar of the big farmers."

Speakers from the platform were Mr. Ken Haughton, vice-chairman of the All-Island Jamaica Cane Farmers' Association, who made the point that the $14 million of investment of which the Agriculture Minister spoke "could not be found," and he wondered whether the investment had been made in AGRO 21 projects at Green Castle Estate; Mr. Bobby Pottinger, Chairman of the All-Island Banana Growers' Association; Mr. E.H. Owen of the Cocoa Federation; Mr. I.H. Francis of the Coffee Federation and Mr. George Goburn of the JAS.

/9274
CSO: 3298/429

OIL-TO-COAL CONVERSION OF ALUMINA PRODUCTION STUDIED

Port-of-Spain TRINIDAD GUARDIAN in English 2 Apr 86 p 16

[Text]

KINGSTON, April, 1, Cana — JAMAICA is talking to a U.S-Japanese consortium on financing for oil-to-coal conversion of the 800,000-tonne alcoa alumina refinery now run by a Government company, officials here say.

They say the major partners in the consortium is the big Tokyo trading corporation, Marubeni, and Centenial, a company specialising in energy development from San Francisco, California.

Officials had talks here about three weeks ago and are now looking about financing and other specifics about the proposed project, said Winston Hay, Managing Director of PCJ-Engineering, a subsidiary of the State-owned Petroleum Corporation of Jamaica (PCJ).

Officials declined to disclose estimated cost of the project.

The Government leased the Alcoa plant last year after the American company shut it down claiming a soft market for its products.

It is now controlled by the state firm, Clarendon Alumina Products (Cap) though Alcoa has a contract to run the technical aspects of the plant.

Jamaica, which is an energy deficient country, had long been urging alumina companies operating here to convert too cheaper coal from expensive oil.

The Government has maintained that position even with declining oil prices which is helping to cut production costs here.

The price of coal is also falling, the island's Mining and Energy Minister, Hugh Hart, told industry experts here last week.

Apart from Cap, officials here say that the Aluminium Company of Canada (Alcan), which has two 550,000-tonne refineries here were also seriously considering conversion to coal, but were not yet willing to commit themselves.

"My impression is that they are looking very critically at coal", said Dr Carlton Davis, the Executive Director of the Jamaica Bauxite Institute (JBI), the Government agency that monitors the industry.

Davis recently held talks in Canada with top Alcan executives.

Alcan has previously balked at conversion because of the heavy capital cost involved —an estimated $360 million.

However, informed industry sources here say a Danish firm, Allborg, had put a proposal to Alcan for conversion that would cost about half that amount.

Apparently the system would allow the plants to run 80 per cent of their operating time on coal and the remaining 20 per cent on oil, rather than a straight conversion of its four boilers.

/9274
CSO: 3298/414

JAMAICA

BRIEFS

DRUGS THREAT TO SHIPPING--Kingston, 25 Apr (CANA--More than 10,000 pounds of marijuana, packed for export, has been seized at Jamaica's seaports so far this year, and the island's Minister of Public Utilities Pearnel Charles has re-echoed the warning that the drug trade was threatening the island's shipping industry and relations with trading partners. Jamaica's relationship with its principal trading partners is being damaged and threatened, Charles told members of the Customs Brokers Association. Charles said that last year in 25 instances a total of 12,945 pounds of marijuana, locally called ganja, was found at various ports. In just four instances so far this year, 10,305 pounds of ganja was detected. The haul does not include the various captures from persons and in parcels aboard aircraft and at the islands' airports. Indications are that drug exporters are becoming very creative, innovative, and sophisticated, said Charles. It is not the little hustler doing a thing; it is the highly organized and big brains with big connections. [Excerpt] [Bridgetown CANA in English 1641 GMT 25 Apr 86 FL] /9274

BANK DIVESTMENT--The government-owned National Commercial Bank Jamaica Ltd. (NCB) is to be divested by September this year, the GLEANER has learnt. It is understood that the Government will be disposing of up to two-thirds of its equity in NCB whose net worth was $67.2 million at December 31, 1985, estimated by stock market analysts to be worth over $200 million if NCB goes public on the stock exchange. This would be by far the largest ever public issue of shares or securities by a company in Jamaica. with the two-thirds interest sold publicly amounting to approximately $140 million. [Excerpt] [Kingston THE DAILY GLEANER in English 8 Apr 86 p 1] /9274

CSO: 3298/414

MEXICO

BRIEFS

VERACRUZ PRI GUBERNATORIAL CANDIDATE--Jalapa, Mexico, 24 April (NOTIMEX)--Three local PRI sectors have nominated Fernando Gutierrez Barrios as governor of the eastern Mexico state of Veracruz. During the event, Reyes Rodolfo Flores Zaragoza, state delegate of the PRI's National Executive Committee, asserted that labor and the peasant sectors, as well as the masses, support the nomination of Gutierrez Barrios, who is capable of governing the people of Veracruz. [Excerpt] [Mexico City NOTIMEX in Spanish 1635 GMT 24 Apr 86 FL] /12232

CSO: 3248/347

MONTSERRAT

NO CHANGES FORESHADOWED IN REPORT ON ECONOMY

Kingston THE DAILY GLEANER in English 9 Apr 86 p 20

[Text]

Plymouth, Montserrat, April 1, Cana --The government of Montserrat, a small British Caribbean colony, appears to have ruled out any major shift in its economic policy at a time when some of its neighbours are more interested in diversification.

"The prospects for diversification appear equally constrained in our circumstances," Chief Minister John Osborne said.

Montserrat's biggest industry is tourism. Electronic components are another major source of hard cash.

Osborne has continued promoting tourism, underscoring the need for increasing exports, and hunting foreign investment that would significantly boost employment.

The flow of investment is not as heavy as the government would like and exports are down.

Official statistics show the economy declined in real terms in 1983 when compared with 1982 and in 1984 grew by 5.7 per cent over 1983 - recovering the position at which the economy stood in 1982.

"The performance of the economy in 1985 has not significantly altered, and the prognosis for the immediate future is not likely to present much scope for optimism unless action is taken to increase the prospects for improved economic performance," Osborne commented.

Total exports over the last year declined by 10 per cent from $8.5 million (one EC dollar -37 cents US) in 1984 to $7.7 million in 1985. Domestic exports also took a tumbling -from four million dollars to $2.7 million.

Government officials blame the drop largely on the closure of the bag-making company Caritex Ltd, which accounted for over 40 per cent of the domestic exports.

"Although there was a slight drop in the export of assembled electronic parts in 1985,'" said Osborne, "it was still the second best year on record, and the prospects for a major upswing in 1986 are very good."

The government says new product lines are being launched for new markets and a 50 per cent rise in activity and employment is predicted.

The import bill was up from $47 to 49 million in 1985, but the foreign exchange in-flow rose by about $10 million to between $75 and $90 million. Osborne described this as " fostering a greater sense of economic well-being and a greater spending capacity."

Other economic successes were drops in the cost of living - for the third successive year -and in unemployment.

The cost of living was down three per cent and the unemployment level estimated at four per cent from the seven per cent in 1983.

Last year tourism brought in a total of $16 million EC and the picture was improving.

"This means that the tourism industry here is experiencing real growth," he told Parliament.

Construction experienced a modest growth in 1985, while there was increased activity in vegetable and meat production. Beef exports yielded $100,000 EC in 1985.

The government has made it clear that it will not seek to establish import substitution or domestic self-sufficiency as a viable long term-option for the productive sectors of the economy.

"Our major development objective is ... to stimulate a carefully programmed inflow of foreign investment, particularly in manufacturing for export and in tourism," Osborne remarked.

He said the level of inflow had to be sufficient to absorb the present unemployment as well as any unemploment which results from improved farming techniques.

The government says it is hoping that even though working within the limits of its economic constraints, it will be in a position to finance a greater portion of the public sector investment programme without external aid.

"In this way government will have greater control over the direction of its economic development," Osborne said.

Montserrat is still receiving financial assistance from Britain. In 1985 United Kingdom aid was put at 1.5 million pounds Sterling and it was mainly used for port and road improvement.

Montserrat also received financial and technical assistance from traditional aid donors, such as the Canadian Government and the United States.

The government says its long-term strategies will seek to discourage consumption and stimulate domestic savings as well as and investment in the country.

The short-term strategy would be to stimulate construction activity as a means of encouraging an immediate upswing in economic activity and employment.

"Montserrat should also promote an increase in visitor arrivals, thus simultaneously expanding our earnings from the tourist industry and strengthening our balance of payments position," Osborne suggested.

The government is also hoping to spur on the economic recovery by restructuring the individual income tax system which officials say will result in tax payers having an additional 2.5 million dollars in spending money.

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CSO: 3298/427

PAPER ASSESSES FUTURE COURSE OF PLI

PA262020 Managua EL NUEVO DIARIO in Spanish 25 Apr 86 p 5

[Excerpts] There is great expectancy regarding the direction that the Independent Liberal Party (PLI) will take once the new party leader is elected in the upcoming elections. However, none or only very few Liberals have discussed that issue.

Yet, there are some Liberals who have carefully studied the problem being experienced by the PLI, which has played an active role in Nicaraguan history and national life in the last 40 years within the framework of liberal principles.

Constantino Pereira Bernheim carried out a study in that regard which proves that the core of the Nicaraguan Liberal crisis lies in the intransigence of one man, whose qualities as a leader are recognized, but who has departed from the party's true essence and will bring about its destruction, due to his "dictatorial" aspirations, as Pereira describes them.

Constantino Pereira, who is a former Liberal candidate for the Nicaraguan vice-presidency, made that statement after closely studying the new by-laws which will be discussed by the PLI National Assembly and which provide for one leader to reign over all the party's structures.

Thus, current PLI President Virgilio Godoy is maneuvering so as to present his candidacy at the last moment, if the new position is accepted within the PLI by-laws. Anyway, Godoy would not have to put up a fight during the elections, because no matter who is elected as the party president, that person would be subject to the top authority, to the leader or chief, who is of course, Virgilio Godoy.

In his study, Pereira develops his ideas in line with the incidents that have taken place within the PLI, beginning with the by-laws that were approved in 1984, and which were the party's political platform in the November 1984 elections.

However, Pereira admits that those principles have been distorted to such an extent that we now witness the party's top leader backing the thesis of those who internally and externally are favoring the return of Nicaragua's former regime, those who had the opportunity to defend their ideas during the elections, but chose to abstain from voting.

Pereira stresses that we can now see Godoy touring through several Contadora countries with those very individuals, promoting the document drafted by the U.S. Department of State which calls for a dialogue between the counterrevolutionaries and the Nicaraguan Government, in a subservient and traitorous attitude that betrays the country's principles as well as those of the PLI, a party that struggled to acquire nine seats in the Nicaraguan National Assembly in order to express its ideas within the legal framework recognized by the Nicaraguan people.

/12913
CSO: 3248/400

PEASANTS DEFEND LANDOWNER'S RIGHT TO PROPERTY

Managua EL NUEVO DIARIO in Spanish 1 Apr 86 p 2

[Letter to the editor]

[Text] Zacarias Peralta Davila wrote to us on 13 March 1986 from Chinandega, as follows:

In its issue No 2032 EL NUEVO DIARIO published a letter from eight members of Salvador Ramirez Cooperative No 1 in which, when they referred to my denunciation of their invasion of my farm of 25 blocks [manzanas] and the beating of Chonco, they impudently stated that I am not the owner. They added in an irresponsible way that the farm was abandoned by Dr Hugo Astacio Cabrera because he could not pay a debt due to the Banco de America, alleging--in contradiction to the previous statement--that the land on the farm belongs to Farm No 240, which freely assigned it to them.

This letter was written in the office from which came the encouragement and the help they needed to invade my farm and finally to have it expropriated. All of that was curiously agreed to by their superiors.

However, I have documentary evidence to prove that I obtained the farm by Notarial Act No 32 signed at 8:30 am on 5 June 1981 before Dr Rigoberto Velasquez, a notary. I own it, have sown it with crops, have taken care of it, and have enjoyed its use as owner until the invasion of my property was permitted. The final act of this invasion was to seize from me four more blocks of land, through the use of force, as the correspondent of EL NUEVO DIARIO was able to certify. My farm is so different from any other that it is registered separately under No 19,569 and Cadastral Survey Identification No 27540-2-15-000-16802.

Furthermore, the farm has never been seized or attached, mortgaged, or handed over to anyone as a payment or in connection with any transaction. This can be proved by the declaration by the Banco Nicaraguense which I attach (and which absorbed the Banco de America), in order to disprove the malicious statement of the person who prepared the letter to which I refer.

The problem with my farm is that it is very beautiful and is worth a lot of money. The neighbors who have come to see it (in fact they were only entertained there) have fallen in love with it and wanted to obtain it free of charge, because arranging to acquire such a farm would take a great deal of effort and many years of a peasant's work. It is easier to take it than to work to put it in shape or buy it, particularly if you take into account the help provided by a wicked man who hates me.

But what am I going to do? When my land was taken away from me, I, a peasant who knows nothing other than the countryside, went with my children to join the ranks of the unemployed in the city, in order to look for other honorable ways of making a living for us.

Because of this kind of activity production, which the government is trying to increase, in fact continues to decline.

(Editor's Note: We have before us the Statement of the Chinandega Branch of the Banco Nicaraguense, as well as the notarial document to which Peralta refers in his letter, in addition to the following letter, sent to Comandante Jaime Wheelock, minister of agrarian reform:

"We, the undersigned peasants, residents of the La Grecia area, are witnesses to the injustice which members of the Salvador Ramirez Cooperative are committing, forcing out of his farm Zacarias Peralta Davila, our comrade, who is a good farmer.

"Consequently, we ask you to intervene in this matter."

The letter is signed by Rigoberto Mendoza, Modesta Duarte, and 53 other persons.

5170
CSO: 3248/357

BARRICADA NOTES OBSTACLES TO ENTERPRISE PRODUCTION

Managua BARRICADA in Spanish 7 Apr 86 p 6

[Text] 1 - Regarding institutional policies and the relationship of policy making bodies with the various enterprises:

a) In the first place, the installed capacity of many enterprises has deteriorated seriously due to the lack of preventive maintenance and spare parts. There are no maintenance plans, which increases the number of unforeseen repair jobs. Furthermore, qualified personnel rotate continuously in the various work centers, being replaced by workers with less experience, which limits the operation of machinery.

b) The supply of technical resources and materials to companies is often irregular, in large measure because the organizations intended to provide service to production activity operate slowly and are hampered by bureaucratic delays.

c) Since the accounting services and the production organizations are not fully developed, the various administrative offices only slowly perform their financial control activity, which makes it difficult to adjust the production plan to changes in the domestic economy.

d) There are failures in the application of technical and economic plans, which are implemented in a disorganized way, making no preparations for reducing production costs.

e) There is too much centralization in the administration of many enterprises, which makes it difficult to manage intermediate levels of the companies concerned. At the same time cadres managing the production process need better training.

f) Agro-industrial and agro-livestock companies require support on a permanent basis from the supervisory body, the MIDINRA [Ministry of Agricultural and Livestock Development and Agrarian Reform].

g) The introduction of new machinery has presented problems. The workers must be trained to handle it, since the failure to understand how the machinery functions has affected productivity.

2 - Regarding the factors of labor policy which have an impact on productivity (application of the SNOTS).

a) The process of establishing production norms has been applied without taking into account the potential of installed output capacity and the decline in productivity. As a consequence, productivity standards have been officially adopted which are too high in terms of real possibilities, which makes it difficult to keep qualified personnel.

b) Incentives have been considered as a form of fixed salary. That is, they are paid in order to fulfill and not to exceed the established norms. In the industrial sector this policy has only taken into account the various productive units, without considering costs of production, quality of output, savings of imported raw materials and energy, and making the best use of the work day.

The policy of incentives in agro-industrial companies has been applied more correctly, and this has had an impact on increasing productivity.

c) Indications of paternalism have been noted among some company directors, who take irrational decisions in order to resolve social and labor problems raised by the trade unions.

d) Enterprises whose workers are paid an hourly wage have serious difficulties with productivity. Experience shows that payment on a piecework basis noticeably increases productivity and results in the overfulfillment of production norms.

e) Supplies of needed materials are inadequate in many agro-industrial and agro-livestock companies, and working conditions are also inadequate.

3 The situation affecting the participation of the workers in company management.

a) The internal regulations of companies, which are an important instrument for regulating work discipline, are not being applied. This makes it possible for problems to come up which affect productivity.

b) The claims of the workers are not discussed in the framework of the possibilities created by carrying out the production plans. The process of discussion with the workers is still inadequate, and the workers do not fully assimilate the production plan.

c) The political relationship between company directors and trade union leadership is improving. The same is not true of middle-ranking cadres who have difficulty in handling their administrative duties. This is a problem for lower-level management.

d) The work performed in management offices has no relationship to the discussion of the production plan and the problems which create obstacles to applying it.

5170
CSO: 3248/357

NICARAGUA

PERILS OF ROAD-BUILDING DESCRIBED

Managua BARRICADA INTERNACIONAL in English 17 Apr 86 p 11

[Text]

Building a 20 km road over hills and rivers, and through virgin jungle is, without doubt, an arduous business. While, it's nothing extraordinary compared to, let's say, the transamazon highway, every kilometer advanced brings the sense of strategic victory to 200 Ministry of Construction (MICONS) workers, who are building the year-round road to unite northern Chontales with central Zelaya.

The goal of the project is to end the isolation in which some 20,000 campesinos in the area of La Piñuela, 250 km east of Managua, have lived until now. The area produces an abundance of cheese, corn, beans, beef, and pork, all of which have always been taken to market by mule or on foot, or have awaited some merchant with a vehicle to venture out during the dry season – from January to April.

The transportation difficulties also impeded health and education services in the area and made credit hard to get for campesino producers. This, in turn, facilitated the counterrevolution's ideological and military maneuvers.

Precisely because of the fact that roads transform this type of situation, road construction crews are a prime target for the contra: over the past three years the mercenaries have killed 70 workers and destroyed 480 different pieces of equipment, worth a total of US$7.5 million.

The workers building the road from Chontales to Zelaya have experienced the danger personally. On May 8, 1985, about 300 contra tried to take over their camp. Although the assailants were repelled after 5 hours of combat, two workers were killed including the project's director, engineer Manuel Escobar.

THE PROJECT

In the first phase, the Ministry of Construction plans to build 42 km of road northeast of Santo Domingo which will allow vehicles to travel year-round between this town and the first hamlets in central Zelaya (La Piñuela an others).

Because of the topographic and climatic conditions in the zone, the equipment can only be used during the four months of the dry season: in that time, the road can advance 15 km. Construction began on this first stretch in January 1985, and should be completed in April 1987. Eventually the highway will be extended 100 km, to reach La Cruz de Río Grande, Zelaya's third most important city after Bluefields and Puerto Cabezas.

The work begins with a preliminary plan based on aerial photographs. The plan is adapted according to soil research and is then mapped out on the terrain. A area 30 meters wide is opened, and later molded into a proper road with curves, gradients and drainage. Finally the road is rolled and the center 5 meters are covered in gravel.

Construction work begins at 6 a.m. and continues until 4 p.m.; nonetheless, progress is slow. In addition to clearing jungle, leveling hills and filling hollows, the crew has to be constantly prepared for possible attacks by counterrevolutionaries: while half the crew builds the road, the other half does guard duty.

Everyone from teen-aged assistants to veteran tractor operators and contractors works with their guns at the ready. Every crew is assigned several men to provide special protection. Others are permanently beside the two mortar launchers that protect the camp.

Meanwhile, the radio operator sustains a constant psychological battle with contra radio operators: "We're going to kill you all," threatens the contra. "We're waiting for you," the worker replies.

THE REARGUARD

All materials, except for the rock, must be brought from either Juigalpa – the capital of the department of Chontales – or Managua. Thus the country's generalized difficulties in obtaining provisions are compounded by the security problems facing supply vehicles on the road to the camp.

Similarly, there are difficulties in obtaining spare parts for the 50 pieces of machinery used on the project, including Japanese tractors, Brazilian caterpiller tractors, Soviet steamrollers and Czechoslovakian trucks. Maintenance and repair on the machinery demands a technological versatility and the availability of spare parts which simply don't exist in the nation today.

However, steps are being taken to overcome these limitations. In Lóvago – 50 km southeast of Santo Domingo – industrial production of gravel is set to begin in May. There, drainage sewers and precut stone slabs for building bridges will also be produced. The region will then be self-sufficient in these products.

Simultaneously, the Ministry of Construction's machine shop in Lóvago will be renovated so that most of the repairs and services can be carried out locally. They have already installed two lathes, a milling cutter, and other machinery capable of producing simple parts.

The Ministry of Construction employs almost 700 workers in the region, including those building the road. What extraordinary salary do these men – many of whom come from other zones – receive for making such an effort and risking their lives?

"We are not paid according to the danger of the work, we simply receive the salary that corresponds to the job, a subsidy for food and the compensation which the Labor Ministry has established for any work which involves a temporary transfer to sparsely populated or isolated areas," explained Julio Picado, secretary of the Ministry's regional union.

Picado has been working in the machine shop for 15 years. He began repairing tires and, for the last five years, has been driving the maintenance truck, traveling throughout the region to tend to the equipment.

The construction workers who come from other regions are provided with work uniforms, boots, mosquito nets, rain ponchos and cots.

"Our philosophy is a free homeland or death," said the trade unionist. "We are committed to our work. But we also know that the contra have us in their sights and that one of these days a bullet will hit us or we'll step on a mine and that'll be the end of us." Awareness of this reality led to the creation of a fund to support the widows and orphans of wounded and dead. Furthermore, at the beginning of this school year, the fund paid for books, pencils, shoes and clothes for the orphans.

"Luckily, we haven't had any deaths in the region this year," concluded Picado, as he climbed into his truck to begin a new day's work.

/9317
CSO: 3200/24

BRIEFS

PRICES OF DAIRY PRODUCTS--The price of dairy products was announced by MICOIN [Ministry of Domestic Trade] in view of the fact that many middlemen are "making hay while the sun shines" with these products. Dr Francisco Medrano, the delegate of MICOIN for Region V, announced that in the Departments of Boaco, Chontales, Nueva Guinea, and El Rama, the prices of dairy products are as follows. For the producer a pound of pure dried cheese will be 350 cordobas; half blood cheese, 250 cordobas; crumb cheese, 250 cordobas; cottage cheese, 300 cordobas; pure, fresh cheese, 350 cordobas; curdled milk, 175 cordobas; fresh butter, 992 cordobas; cream, 600 cordobas; and butter in a bag, 300 cordobas. For the consuming public the prices are as follows: a pound of pure cheese, 424 cordobas; half blood cheese, 303 cordobas; crumb cheese, 303 cordobas; cottage cheese, 363 cordobas per pound; pure, fresh cheese, 424 cordobas; curdled milk, 212 cordobas; fresh butter, 1,200 cordobas; cream, 726 cordobas; and butter in a bag, 363 cordobas. Although the price per liter of milk was not announced by the MICOIN delegate in Juigalpa, a liter of milk is sold directly by producers there for between 115 and 120 cordobas. In other areas of Chontales and Boaco Departments, milk is sold at other, lower prices. [Text] [Managua EL NUEVO DIARIO in Spanish 7 Apr 86 p 4] 5170

CSO: 3248/357

PARAGUAY

POLITICIAN COMPARES REGIME WITH FASCISM, NAZISM

PY160013 Asuncion Radio Nanduti in Spanish 1530 GMT 14 Apr 86

[Text] This is a statement made to Radio Nanduti this morning by Dr. Justo Pastor Benitez [former leader of the Radical Liberal Party] regarding yesterday's events when police agents repressed the authentic radical liberal party demonstration in San Jose de los Arroyos on 13 April.

[Begin recording] I believe that this reminds us of the events that happened in Germany and Italy during the worst times of fascism and nazism. Such assaults are typical only of these types of government. For some reason we have always spoken about autocracy and the arrogance produced by power. The governing party identifies itself with the Armed and Police Forces, and this means that we are in the hands of a system which is not only undemocratic, but which can never become democratic.

Everyone knows how all these regimes end up. History does not repeat itself in exactly the same way, but it allows us to foresee that all this will collapse after a time, hopefully a short time. However, this will depend very much on the people and the Paraguayan democrats, because it needs a push, a serious one.

Assaults of the type that happened yesterday are now becoming definitively typical of the neo-Colorado Stroessner system, which does not exercise democracy. Sometimes we have made, with the small resources that we have and that are always attacked and threatened by the system, a legitimate democratic challenge, but they will not accept it. They may have a certain number of people, perhaps many people, but they are not democrats and they will not face the free play of democracy.

Therefore, and summing up my thoughts, I believe that the time has come to seriously think of making a final, violent thrust to overthrow this system, which is not, and cannot be democratic. [end recording]

/7051
CSO: 3348/540

LIBERAL PARTY PROTESTS MEMBER'S ARREST

PY161554 Asuncion Radio Nanduti in Spanish 1530 GMT 15 Apr 86

[Text] Lawyer Juan Manuel Benitez Florentin this morning told this radio station the following over the phone:

In a written document, we have denounced that our party colleague Augusto Guillermo Monges Benitez, a member of the Authentic Radical Liberal Party Commission in San Joaquin, was arrested on 12 April and transferred to the Yhu police station, where he is being held incommunicado. He was arrested without a written legal order from any appropriate authority. More than 48 hours have elapsed since he was arrested and the reason for his arrest has not been given.

Therefore, today I presented a habeas corpus petition to the Supreme Court of Justice requesting that the reason for his arrest be given and that Monges appear before the courts.

/7051
CSO: 3348/540

PARAGUAYAN EXILE ON STROESSNER'S HEALTH

PY170207 Buenos Aires TELAM in Spanish 1324 GMT 16 Apr 86

[Text] Posadas, Misiones, 16 April (TELAM)--When questioned about the possibility that President Alfredo Stroessner would leave the presidency, Domingo Laino, exiled vice president of the Authentic Radical Liberal Party [PLRA], replied that if this news were confirmed it could mean the beginning of the resurrection of Paraguay.

Laino said that, according to the rumor spread among the Paraguayan political circles residing in Argentina, the four possible candidates that may succeed Stroessner are: Paraguayan Supreme Court President Luis Maria Argana, Defense Minister General German Martinez, I Corps Commander General Andres Rodriguez, and Army General Gerardo Johansen.

This news was only reported here and Paraguayans know nothing about it, Laino said, adding that if Stroessner steps down, it will happen because of pressures on his 32-years old worn out regime rather than for health reasons.

The report, the sources for which Laino would not reveal, says that President Stroessner, affected by a serious skin disease as well as other illnesses, had allegedly decided to travel to the FRG to undergo extensive medical treatment.

One of the president's closest aides will reportedly remain as head of state, completing the presidential term that started in 1985.

Laino expressed his wish that the official sector and the opposition become aware of the situation and begin a transition of a non-active violence, without excesses, so that the Paraguayan people will be able to head toward a real pluralistic democracy.

However, Laino also expressed his concern about the possibility that another Stroessner stage could start without Stroessner. I hope that the Paraguayan people wil be able to work within an active participation process, he said.

/7051
CSO: 3348/540

FRG PRESS ATTACHE DENIED ENTRANCE TO AIRPORT

PY211337 Asuncion EL DIARIO in Spanish 21 Apr 86 p 13

[Text] The police on 20 April did not allow Armin Stever, the press attache of the FRG Embassy in Asuncion, to enter the country's main international airport, despite the fact that he showed the appropriate credentials.

The German diplomat yesterday went to the airport to observe the arrival of Luis Alfonso Resck, a Christian Democratic leader.

Steuer told this newspaper that "despite showing the credentials that accredit me as the Press Attache of the FRG Embassy, I was not allowed into the airport."

/7051
CSO: 3348/540

DEMONSTRATION DISPERSED WITH WATER CANNON

PY181917 Asuncion Radio Nanduti in Spanish 1530 GMT 18 Apr 86

[Live relay from in front of the Clinics Hospital in Asuncion by reporter Miguel Angel Arguello]

[Excerpts] About 500 or 600 members of the Clinics Hospital medical staff today staged a demonstration in front of the Finance Ministry in demand of better salaries.

Many journalists are here watching events. Some people are wet from the water cannon the police used. Dr Chiola also was soaked by the water cannon.

[Begin recording] [Chiola] First, let me thank the forces of order for helping in our demonstration. Second, I wish to truly thank all the people who supported our demonstration.

[Arguello] Aren't you wet?

[Chiola] Sort of, I needed a bath anyway. [chanting] [End recording]

The demonstrators sang the national anthem and Patria Guerida [a patriotic student song] as they arrived in front of the Finance Ministry.

As I said, the police arrived in front of the Finance Ministry with a water cannon, which they used against several of the demonstrators who have walked here to the Clinics Hospital.

That was Dr Chiola for Nanduti, and he explained that he was soaked by the water cannon. He also sarcastically thanked the police for their positive role in the demonstration. He encouraged the public to express its support for this demonstration.

At the moment I am standing in front of the Clinics Hospital. I will try to report all the events that take place here. I wish to report that other media, newspapers, radios, and televisions, are represented here.

The police have stopped a block away from here, because the demonstrators chanted to them to withdraw. They chanted: Go away, go away. The Police, therefore, remain one block away. I see no policemen at the moment.

/7051
CSO: 3348/540

PERU

BRIEFS

NEW OIL WELLS DRILLED--Talara, 25 Apr--Engineer Carlos Morales Gonzalez has reported that 60 new oil wells have been drilled and 34 old oil wells have been repaired in Laguna Zapotal, north of Talara. Morales Gonzales stated that to date their output totals 2.14 million barrels of crude oil and that the current daily rate is 8,300 barrels. He added that the estimated reserves of the new wells are 15 million barrels. /Excerpt/ /Lima EL COMERCIO in Spanish 26 Apr 86 p A16 PY/ 12228

IU, APRA OPPOSE IMF--Alfonso Barrantes, president of Peru's United Left /IU/, has asserted that if his country's government remains firm before the IMF, the IU will struggle beside him. Speaking at an event held by IU, Barrantes said that this coalition and the ruling Aprista party are confronting a common enemy, which is imperialism. Barrantes awarded Lima's civic medal to Antonio Nunez Jimenez, Cuban deputy culture minister, who is visiting Peru. /Text/ /Havana International Service in Spanish 2300 GMT 17 Apr 86 PA/ 12228

ARGENTINE CREDIT AGREEMENT--Argentine Agriculture Secretary Pedro Guzman yesterday announced that his country will grant Peru a $10 million credit to import Argentine foodstuffs to Peru. The agreement, which will be signed soon, provides for the importation of beef, milk products, soy beans and other products. /Text/ /Lima Radio del Pacifico in Spanish 1300 GMT 4 Apr 86 PY/ 12228

INFLATION STATISTICS--Inflation reached 5.3 percent in March 1986 according to a report from the National Statistics Insitute. /Text/ /Lima Panamericana Television Network in Spanish 0300 GMT 2 Apr 86 PY/ 12228

CONCERN FOR STUDENTS IN KIEV--Lima, 2 May (AFP)--The parents of 400 Peruvian students who are studying at the University of Kiev, one of the Soviet cities that is reportedly affected by the explosion at the Chernobyl nuclear power plant, have asked the Peruvian Government to intervene and try to learn about the status of their children, a spokeswoman for the group of parents said today in Lima. Esperanza Calderon Gamarra, on behalf of some 30 parents, expressed her concern over the alarming and contradictory reports from the USSR on the tragedy and over the lack of news from our children who are living in Kiev, some 18 km from the Chernobyl power plant. While asking Peruvian President Alan Garcia to order the return of the youths who are in the USSR on scholarship, Calderon Gamarra stated that the parents cannot go and get their children because the trip to Europe is very expensive and their funds are scanty. Calderon Gamarra added that the Soviet Embassy just told us not to worry because there is no danger. Calderon Gamarra, whose daugher, Carmen Ledesma, studies international law at the University of Chevchenko (Kiev), today headed a march in front of the Peruvian Foreign Ministry seeking concrete data on the condition of the students living in the Soviet Union. /Text/ /Paris AFP in Spanish 1545 GMT 2 May 86 PY/ 12228

NEW REPUBLICAN GUARD DIRECTOR--Lima, 2 May (EFE)--General Maximo Andres Martinez Lira today took the oath of office as new director of the Peruvian Republican Guard. He replaces General Julio Nino Rios who was discharged by the government on 28 April. The swearingin ceremony of the high ranking police chief was presided over by Interior Minister Abel Salinas at his office in Lima. Nino Rios was discharged because of the escape of two criminals from the jail at the Lima courthouse on 25 April. The government made Gen Nino Rios responsible for the incident because Republican Guard members, who were allegedly bribed by criminals under their custody, allowed the criminals to escape. In this case, the Interior Ministry brought criminal charges against 20 Republic Guard members, among them officers and low ranking personnel. After the swearingin ceremony, Interior Minister Salinas said that the reorganization of the police forces, of which the Civil Guard and the Peruvian Investigative Police /PIP/ are also part, "is a long process." The government began the reorganization last year. /Summary/ /Madrid EFE in Spanish 0055 GMT 3 May 86 PY/ 12228

CSO: 3348/556

TWO PARTIES VOW 'PEACEFUL' CAMPAIGN, PLP DEMURS

Port-of-Spain DAILY EXPRESS in English 21 Apr 86 p 15

[Text]

CASTRIES, April 22, Cana — TWO of the three political parties which plan to contest the next general elections in St.Lucia, constitutionally due by May 1987, have pledged to wage a peaceful campaign.

Support for peace and country's continued stability came from the ruling United Workers Party (UWP) and the main opposition group, the St.Lucia Labour Party (SLP) during a weekend meeting with the St. Lucia Christian Council.

The meeting, called to promote a peaceful climate in the run-up to general elections, was boycotted by the left-wing Progressive Labour Party (PLP).

PLP leader George Odlum told Cana the boycott was to protest against the council's inadequate handling of its role.

He said his party had called on the council on several occasions to investigate a number of controversial issues involving the operations of the Government, but the council never saw it fit to respond.

Mr Odlum said: "Stability is much more deeply rooted than superficial attempts to get people together at election time. That's why we think the inter-church council is missing the significance of its role."

Mr Odlum said however, he was not opposed to attending subsequent meetings hosted by the council.

Among those present were the Deputy Prime Minister, the leader of the Opposition, the President of the Senate, the Speaker of the St.Lucia Parliament, and other Government and Opposition spokesmen.

/9274
CSO: 3298/423

ST LUCIA

PLP ORGAN REPORTS, COMMENTS ON SLP PUBLIC RALLY, SPEECHES

Coverage of Meeting

Castries CRUSADER in English 12 Apr 86 p 2

[Unsigned article: "SLP Castries Meeting: It Was Two Hours Hard Labour!"]

[Text]

For three days on a trot the St. Lucia Labour Party advertised its Market Steps meeting for Wednesday Night. The weatherman was obliging as if to give no excuse for any mishaps. Weather wise it was a perfect night for the Market Steps but it all turned out to be TWO HOURS OF HARD LABOUR from some very soft performers. The crowd was abysmally poor, and for the record it is important to note that the rained-out PLP Meeting last Thursday night pulled a much better crowd than SLP's big night on the Market Steps.

The advertisement of the Meeting blared out names of SLP personalities like Foster and Josie whom most persons guessed would not appear - and they didn't. A dubious stroke of bad luck sent Remy Lesmond to Victoria Hospital as an inmate of the very day of the meeting. So the relentless Chairman Tom Walcott started the fray. The start was ominous. Walcott dwelt almost exclusively with the question of contracts being awarded to foreign firms at the expense of locals. The song might have merit but the singer was off-key. A telling blow was struck to the overall credibility of the group. The seasoned Market Steps listeners always have an ear cocked for credibility and it didn't ring right to hear that case made out by the same Tom Walcott whom they consider to be single-minded about this issue and whose family interest in politics appear to be firmly tied to the securing of contracts from the incumbent Administration. A sensitive Labour Party would have delegated another speaker to handle this issue...but the Chairman is the Chairman!

When the first speaker Evans Calderon was introduced there was a distinctly DEJA VU quality about the presentation. Both the clumsy diction and the content creaked on as if the whole Party had been rusty with disuse. Of course the credibility question reared its head again and the speaker spent some time in trying to pooh-pooh the CONFLICT OF INTEREST charge which was made against him when the Labour Party Government fell in 1982. It was an awkward task "All I did was to make the deed of sale in my office while I was a Minister" was the feeble rebuttal. This is precisely what the UWP Regime is being pilloried for and now the new-fangled SLP which aspires to replace the UWP is singing an APOLOGISTsong for the corruption in Government. Another blow against the credibility of the platform.

It was time for the most seasoned platform performer to rescue the meeting since the rating was well below the pedestrian level. The inimitable Neville Cenac popularly known as Chandelle Molle was introduced. Unfortunately he is also known as the Leader of the Opposition who has little appetite for OPPOSING the ruling Regime. Chandelle Molle had to come to terms with this fundamental threat to his own credibility and spent the better part of his speaking time in chiding the Crusader Newspaper for not publishing his occasional attacks on the Government or even his constructive contributions in the House. It was an uphill task and the general reception was aloof and chilly. The only applause and recognition came from the hired hands on the platform who were self-consciously sporting their Hunte Jerseys, in case anyone had doubts as to who the real Leader was! The seasoned Cenac sensed the chilliness when he used his introductory "MY PEOPLE" and got no response from the audience. Ironically enough this was the same Cenac who told St. Lucians that the St. Lucia Labour Party could win the forthcoming elections alone and without the assistance of a other Party. The prediction seemed bogged down in chilliness that night. The Speaker reached for his impassioned rhetoric. The old declamatory style was bound to work. It did. It earned him some heckling from a loud-voiced listener whom he had certainly not impressed. Out came the UWP-type big-stick. Neville Cenac quoted the passage in the Public Order Act which ensured that when the UWPees spoke in public NO DOG SHOULD BARK. He called on the Police a-la-Compton to protect him from the hecklers who were disturbing his meeting and violating his constitutional right to talk. This action struck yet another telling blow at Labour's credibility. The People's Party was seeking the protection of the Police in order to speak to the People in public. This was certainly NOT vintage Labour party. The pendant Star which hung over the platform swung like an erratic pendulum in the cool breeze of the night. Chandelle Molle was angry and rattled and beat his chest asserting his 18-year legitimacy to speak on a Labour platform and "no little boy can prevent him from speaking on the Market Steps". The Voice was frail and tentative but the bluster was strong.

Chandelle Molle never really recovered from his public relations exercise of telling the people what he had done to merit the title of Leader of the Opposition which Chairman Walcott tactlessly told the audience he had got "because of the special circumstances within the Party". From here on the contradictions were rapid. Chandelle ventured an attack on certain exploiting sectors of the economy and he singled out SHIPPING AGENTS as his Party Leader Julian Hunte sat uncomfortably next to him.

It was the Party Leader's turn to set the tone for the night. He is a good listener and had heard the Barbados Budget Debate during the previous week and had read the weekly indictments of the Government in the Crusader newspaper. He had noted most of the telling points, at least since 1982. So he could recall the list of unfulfilled promises, the bluffs, the lies and all the various charges levelled against the Government. Most of all he had recalled the use made of the World Bank Reports in the Crusader and in the Congress Speeches of the PLP, to discredit the Government's claim to having performed well as opposed to Labour's performance between 1979 and 1982.

It was a journeyman's effort to establish his claim to challenge the rule of the UWP. Most St. Lucians seems unclear about the real distinction between the SLP and the ruling UWP but most of all they are confused as to whether the insistent Hunte is in any way an improvement on the almost-entrenched Compton. The dilemna was reinforced when Hunte's tame recital of well-worn criticisms of the Government left little room for any analysis, perspective, ideology or vision. It was just a put-us-there-and-we'll-do-a-better-job pitch.

The highlight of the Party Leader's remarks was the electoral bluff of looking for votes on the basis of a promise to pay Public Servants what the Government is refusing to pay. It was vintage UWP and vintage Compton. The crowning irony was that while Hunte was pleading undying loyalty to the Civil Servants cause there was Martin Elwin who played such a key role in the last Civil Servants dispute on the Management side sitting uncomfortably near to him on the platform - another blow to the Party's credibility.

Naturally the Party Leader had to refer to the salaries paid to Legislators because this issue focussed the PLP's main attack on the Budget and it looks dangerously like being the SLP's Achilles Heel. Chairman Walcott had opposed the payment of these large increases during his Convention speeches. SLP's Leader of the Opposition Neville Cenac had virtually piloted the Bill through the House and on percentage terms his increase in salary was greater than any other legislator. Surely the Party Leader had a duty to resolve these differences in his lieutenants' position. In true Hunte style he tried to get the best of both worlds. He had the National Cake and ate it too. His line was - How could the Government deny the poor civil servants backpay when the Ministers helped themselves to so handsome a salary increase with backpay. But almost in a thrown-away "sotto voce" he added "an increase which they deserve". He succeeded in both criticising the Ministers pay hike and conceding that it was well-deserved. The credibility yawned....so did the audience. He repeated his promise several times - "If a Labour Government is elected we have a plan to pay all that is due to the Civil Servants". He carefully avoided saying what the Plan was, but in the thinking of the Poyotte wing of the Party that would be considered to be TACTICS and STRATEGY if not a little amiable deception. The Market Steps Audience had heard and seen it all before and when they heard the final salutation of Party Leader Julian Hunte "Peace and Love, Brothers and Sisters, Peace and Love"...they gasped with relief that two hours of HARD Labour had mercifully ended with an unmistakable credibility gap for the St. Lucia Labour Party. But that wasn't all the Chairman sent in Hilary Modeste as a sort of twelfth man and in effect his contribution appeared to be the most sensible and logical although the sparse crowd was fast dwindling believing that the anti-climax had climaxed. Modeste somehow turned the scenario around-The song was good but the singer left the old doubts lingering on!

Rosie Douglas Remarks

Castries CRUSADER in English 12 Apr 86 p 10

[Text]

Dominican Opposition Parliamentarian Rosie Douglas has called for the unification of the people of the Caribbean.

Mr. Douglas who graced the Market Steps with his presence on Thursday night during a mass public meeting of the Progressive Labour Party, told his audience that the time has come for the Caribbean Countries to make a genuine effort towards unity.

Mr. Douglas contends that the economic situation in the Caribbean has deteriorated considerably during the last five years, noting that trade within Caricom had reduced to 25 percent, while exports to the United States since the two years of the Caribbean Basin Initiative had also reduced to twenty-five percent. He said, " the economic situation as it is today is deteriorating and it calls for a certain kind of vision to turn the weather ahead."

The Dominican Parliamentarian expressed the view that it was this depressing economic situation in the region, which demanded that the resources of the Caribbean be harnessed at this stage of our history.

Mr. Dogulas explained the reason for his call for unification, by stating that the only area in which the Caribbean was united was in Cricket. He noted that because of this unity the Caribbean now dominate world cricket. "If we were united in economic development we would also flourish." Said Mr. Douglas.

The Opposition member further contends that Vivian Richards, Richie Richardson, and the pace bowlers on the West-Indies team represent a New Caribbean that is fighting to emerge. He said, " On that cricket field when Richard bats, in him comes out the agressiveness, the drive to liberation, the years of suffering a degradation that our people face emerges out of him, and every time he hooks and he drives, he is driving towards liberation.'

Mr. Douglas who was over-nighting in St. Lucia, explained that he was not here to interfere in the political process in St. Lucia, but could extend solidarity with his brothers and people of the Caribbean, in the same way that Eugenia Charles and John Compton share solidarity.

Mr. Douglas who Eugenia Charles refered to as a 'Communist ,' won his seat in the general election held in Dominica last year. He is brother to Michael Douglas Opposition Leader of the Dominica Labour Party in the Dominica House of Assembly. He left for Dominica early yesterday morning.

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ST LUCIA

OPPOSITION TAKES ISSUE WITH COMPTON'S POLICIES

Cenac on Unemployment

Bridgetown WEEKEND NATION in English 4-5 Apr 86 p 13

[Article by Earl Bousquet]

[Text] CASTRIES, St. Lucia — St. Lucia's Opposition Leader, Neville Cenac, estimates that there are some 28 000 persons unemployed in St. Lucia, and that the government will have to provide some 76 000 jobs by the year 2000.

Saying the figures were from his own calculations, Cenac said he believed that at least 28 000 families comprised St. Lucia's 140 000 population, and that at least one person in each family was unemployed.

Reacting in Parliament to the 1986-87 budget estimates presented last week by Prime Minister John Compton, Cenac said that apart from a crucial unemployment situation, the government also faced a serious balance of trade problem.

He pointed out that balance of trade stood as high as $190 million in 1984, a figure he contended would not be met even if the government collected the entire $164.5 million in taxes targeted for this fiscal year.

He also accused the administration of not planning for the 59 000 primary school leavers he estimated would be seeking jobs 14 years from now, at the turn of the century.

Cenac criticised the government's employment and work-permit policies, saying it was "not tightening the screws in offering work permits, particularly in the hotel industry", where, he said, there were managers and other such persons from overseas "taking the jobs of St. Lucians in the hotel industry".

In his hour-long contribution, the opposition leader said he understood the government's arguments about the tightness of its finances, supported its new tax proposals, and chided the local branch of Barclay's Bank for not contributing financiallyto an effort by the minister of sports to construct a multi-purpose court in time for the upcoming Caribbean Netball championships, carded to take place here later this year.

Meanwhile, inner party sources told the **WEEKEND NATION** that there was some concern within the St. Lucia Labour Party (SLP) about the growing instances of contradiction between the party's public position on issues, and the position adopted by the opposition leader in parliament.

Just prior to the budget, the SLP issued a statement calling for significant tax relief, but Cenac's position during his contribution was seen by many of his colleagues as being accommodative of the government's position on the taxation question.

It was not the first time however. At a sitting of parliament last year Cenac seconded a resolution tabled by the prime minister allowing for significant salary increases for parliamentarians. The SLP has issued a statement opposing any increase in parliamentarians' salaries.

SLP Letter on Fuel Prices

Port-of-Spain DAILY EXPRESS in English 21 Apr 86 p 15

[Text]

CASTRIES, Sunday, (CANA) — The opposition St Lucia Labour Party (SLP) has taken the unusual move of writing to government parliamentarians here urging them to exert pressure on Prime Minister John Compton to reduce the prices of petroleum products.

Compton, presenting his 1986-87 fiscal budget in Parliament late last month, said that despite the international oil price cuts his government intended to keep local prices of petroleum products at their present levels until there was some stability in the market.

Compton argued that any adjustment should be made when the oil market showed stability and pointed out that local prices had not changed in the last four years despite the constant fluctuations in world market prices.

Said the SLP letter: "The decrease in crude oil prices is a reality and if the benefits of that drop in prices are not given to the consumer in St Lucia it simply means that someone is making enormous profits or revenues at the expense of consumers.

"This is clearly wrong, whether that someone be an oil company or government, or both, and it exposes the deceit of any supposed policy based on waiting until the price of crude oil supposedly settles."

The letter, according to SLP leader Julian Hunte, was sent to government members in both Houses of Parliament.

Hunte said "the naked fact" was that the bottom had dropped out of crude oil prices and there was in this a substantial benefit for the consumer in St Lucia by way of a drastic reduction in price.

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ST LUCIA

COMPTON DEFENDS PROPOSED CHANGES IN TAX SYSTEM

Bridgetown WEEKEND NATION in English 11-12 Apr 86 p 13

[Article by Earl Bousquet]

[Text]

CASTRIES, St. Lucia — The John Compton administration in St. Lucia has decided it will not follow the example of Herbert Blaize in Grenada in abolishing personal income tax.

Instead Mr. Compton has outlined a new set of tax proposals that will throw some 3 000 persons off the tax list, while re-adjusting the tax system for those who have to pay.

After Blaize's Budget at the end of February (in which the abolition of income tax was the centrepiece) James Mitchell in St. Vincent started moving seriously against certain outstanding defaulters in the business community. This led to expectation here that the 1986-87 Budget would have contained some announcement on tax relief or even abolition of personal income tax.

Just two days before the presentation of the Budget, the Opposition St. Lucia Labour Party (SLP) called on the Government to give serious consideration to "extensive relief from personal income tax", in its upcoming Budget.

"This relief from personal income tax will stimulate savings in the economy and further increase investment funds available," the SLP statement said, adding:

"As a corollary to this policy of tax relief, the Government will now be in a position to encourage banks and mortgage finance facilities to reduce their prime rate of interest in order to stimulate local investment and increase activity in housing development".

Act as stimulant

The SLP argued that the increase in disposable incomes, and the fall in interest rates "will allow young people the opportunity to afford mortgage payments and the opportunity to own their own homes", and that such tax relief "would act as a real stimulant in the economy by increasing personal disposable income".

But Mr. Compton didn't agree. In his Budget address, he said that while he had repeatedly said before that the people of St. Lucia had been taxed "to the threshold of pain", taxes on personal income yielded some $27 million annually that paid for essential goods and services, and other avenues would have to be found to raise that sum.

If he abolished personal income tax, Mr. Compton said, "it would mean taxation on consumption, and this will be inequitable, as it will place a disproportionate burden on the poorer section of our population who spend a high proportion of their incomes on basic essentials, and it will increase their cost of living, creating demands for higher wages to offset this, thus throwing the entire economy into an inflationary spiral, discouraging investment, and in the end, adding to our unemployment problems".

Other measures

Sources close to the Ministry of Finance said it is the view there that in the Grenada case abolition of income tax was accompanied by introduction of several new taxes (such as the Value Added Tax, called VAT) which will eventually be passed on to consumers of the taxed goods and services, thereby increasing the cost of living and offsetting the impact of the abolition of income tax.

Instead Mr. Compton proposed the following measures, aimed at granting tax relief:

Simplification of the tax system by reducing the number of bands from the present 11 to five.

Increasing the present tax allowance from $2 000 to $3 000.

Raising the threshold from which tax payments begin from $2 000 to $3 000.

Lowering the rates at the upper end of the scale to permit persons who make an enormous contribution to the country's social and economic well-being to retain more of their incomes.

These measures, he said, would remove

some 3 000 persons from the tax net, costing approximately $5 million per year, which he said could be substantially reduced if there were more efficient tax collection, and "less subjective approaches to tax administration".

In addition, the Government's tax department would be assigned new measures aimed at increasing collection of outstanding and overdue taxes.

Significantly, Mr. Compton received support for his decision not to abolish income tax from an unexpected quarter: Leader of the Opposition, Neville Cenac, who is one of the SLP's two representatives in the 17-member Parliament here.

Mr. Cenac said he would not support any move at abolishing income tax, "not because it is not good, but because we are not ready for that". Repeating the Prime Minister's line, he said that if income tax was abolished, taxes would be imposed on other goods, "and would make life harder for the unemployed".

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UNIONS CRITICIZE GOVERNMENT ATTITUDES TOWARD WORKERS

Teachers Rally

Castries THE WEEKEND VOICE in English 8 Mar 86 p 3

[Text]

After a late start and a brief welcome remark, District Representative and Minister of Education Louis George, in his address, complimented progressive teachers and made remarks on the teachers grades at the Teachers' Training College, saying that they are among the best in the Eastern Caribbean.

On the other hand, the Minister noted that there were teachers who thought that there are some 'safe slots' in the teaching service, and that they could afford 'to sit back and relax,' on reaching a certain level. The Education Minister said that it was not only unfair to students, but to the progressive teacher and tax payers as well.

The rally, hosted by the Micoud branch of the Union, was held at the Micoud Primary and Secondary Schools, with some 600 teachers, Ministry officials and representatives from other organizations, attending. They were also addressed by President of the St. Lucia Teachers' Union (SLTU) Jean Francois Joseph, and Caribbean Novelist George Lamming.

In a fiery speech, Joseph said that working people in St. Lucia were not respected, and drew teachers' attention to the "increasing contempt and disrespect metted out to public workers" by their employers. Mr. Joseph also reminded teachers of the circumstances surrounding the collective agreement which was negotiated and signed in November 1984 for the triennum April 1983 to March 1986, and the issue surrounding the maternity leave clause.

He stressed on what he referred to as "Government's deliberate action" in altering the agreed date of implementation of the agreement, and further failing to implement the full contents of the agreement in a very "unprincipled and unconventional manner."

Mr. Joseph also resented the idea, and what he called, attempts at portraying public workers as parasites who did nothing but drain the public purse. He quoted statistics to erase that myth.

Complaint to ILO

Bridgetown WEEKEND NATION in English 27-29 Mar 86 p 13

[Article by Earl Bousquet]

[Text]

CASTRIES, St. Lucia — The St. Lucia Committee of Trade Unions has said it will file complaints with the International Labour Organisation (ILO) accusing the Government of St. Lucia of unfair industrial relations practices.

In a statement to the Press here, the joint committee — which includes trade unions representing public workers — also said it was embarking on "a national, regional and international campaign to defend Convention 98 of the ILO, as it relates to the right to free collective bargaining, and to ensure that workers' just demands are met."

This is the latest stage in a developing dispute between the John Compton administration and civil servants, teachers, nurses, daily-paid workers and their unions over the government's decision not to pay outstanding backpay.

The government says it does not have the money, and even if it did, paying backpay to government employees would not be its priority.

The statement from the unions said they condemned the administration "for its unilateral decision to alter effective dates within industrial contracts agreed upon between the public sector unions and the government's negotiating team."

It said the committee also "rejects government's position of not being able to meet backpay" due to the workers.

The Government of St. Lucia is a member of the ILO.

Bad example

Meanwhile, the Voice newspaper has chided both sides, but insists that the Compton administration has set "a bad example" in unilaterally erasing overdue backpay owed to its workers over the years.

The Voice said in an editorial: "While we understand the predicament of the government in having to come up with the necessary money, we cannot support any action which appears to be high-handed, like arriving at a decision without proper consultation with the other party."

The unions representing civil servants, teachers, and other government workers accused the government of unilaterally erasing EC$6 million in backpay owed them as far back as April 1983. The government also informed them that it could not pay, and called on them to forget about the backpay.

The unions did not agree and have referred the matter to the Labour Commissioner, treating it as a normal industrial dispute with the employer. Their members have said that they want their money.

But the Voice said it felt that the unions and the workers should not press for the retroactive backpay, arguing that it is "irresponsible" of them to do so when the government will have to borrow the money at high interest rates, just months after local banks lent it $5.6 million to settle outstanding bonds payments to these same workers.

Social injustice

"A country like ours, seething with high unemployment and inadequate social services for its population, should not be asked to provide more dollars . . . this is social injustice," said the Voice, carefully adding that "this does not mean that we do not see the special case of the country's teachers, many of whom are still very poorly paid."

"But none of these realities gives the government the right to be autocratic . . . to change the dates of collective agreements . . . or to deny workers the benefits of collective agreements negotiated by its own representatives", said the Voice.

It said: "It is our view that the government is setting a very bad example for future industrial relations practices in this country when it behaves in the manner it is alleged to have done. If private enterprises take it upon themselves to act in a similar manner, then we will be heading for serious problems in this country."

Expressing pleasure that there was still dialogue between the parties on the issue, the paper urged that "some understanding be arrived at to diffuse the potential explosive nature of the present situation.

"But we insist, the government must at all times treat its workers with respect, dignity, and due consideration, and set examples that other employers should seek to emulate to establish and maintain an industrial relations climate that would prove a basis for orderly national development," said the 100-year-old St. Lucian newspaper.

Resented claim

Meanwhile, Teachers' Union president, Jean Francois Joseph, in an address to teachers, said his union resented and rejected "the idea being pushed that public workers are parasites who did nothing but drain the public purse."

He quoted statistics to show the performance of the teachers at work and to point out that the government itself had recognised this and agreed to the figures negotiated jointly between all parties.

Later, he told THE NATION: "As the Voice itself has pointed out, the government is being autocratic, and just wants to unilaterally erase the value of the sweat of our workers without even consulting or discussing the matter with us. It is as if we do not even exist."

"The last thing we want is confrontation, but the government must treat us better, because we deserve what we have worked for, and what we have earned is ours to claim," Joseph said.

SLP, PLP Involvement

Castries CRUSADER in English 5 Apr 86 p 1

[Text]

Both Opposition Parties this week called on the Government to honour its Agreement to pay back-pay to public servants. The

Parties made separate calls in the course of the same week. On Thursday night the Progressive Labour Party held a Public Meeting on the Castries Market Steps to discuss the Budget presented by Prime Minister Compton in the House of Assembly last week. In the course of this meeting one speaker Nicholas Joseph dealt exclusively with the issue of the Civil Servants and the treatment given to the subject in the Budget. He pointed out that the Prime Minister had made ten references to this issue in his Budget Speech and most of the references were unfair and disparaging to Civil Servants.

He described the attacks as vicious, malicious, diabolical and divisive, "stating that the Budget was 'consistent and persistent' with the Government's anti-worker policies".

He further stated that Government was setting a dangerous precedent, by changing the date of an agreement already signed with public servants.

ON Friday noon Radio St. Lucia carried a Press Release from the St. Lucia Labour Party calling on Government to revoke the Cabinet decision which was taken not to pay the amounts due to monthly-paid public servants.

In his Budget Address the Prime Minister firmly dug in his heels refusing to pay the agreed amounts to monthly-paid employees in the Public Service. He said:

"With respect to monthly paid employees I have given the Unions and Associations all the facts relating to the financial position of Government - information which they already had, and I have informed them in no uncertain terms, that further demands in the present circumstances are completely unconscionable, and it will be an act of gravest irresponsibility for this or indeed any Government to yield to such demand."

The Progressive Labour Party expressed the view that the Compton Administration is guilty of DOUBLE -STANDARDS. They have paid themselves a whopping big PAYOLA of salary increases with over-generous back-pay pro visions and now the Prime Minister is refusing to honour agreements made with the Public Servants.

The Progressive Labour Party Representative in the House of Assembly spoke strongly against the pay-out for Ministers and Legislators at that time when the economy was in bad shape and the level of unemployment so high. The Compton Government ignored the argument and proceeded to pay themselves and deny the Public Servants their already agreed backpay.

P.L.P. Party Leader George Odlum says that the real "inconscionable demand" was made by Prime Minister Compton and his Ministers. They voted themselves a big pay-out which has completely undermined the credibility of the Budget which he presented.

Unfortunately the S.L.P. Representative Opposition Leader Neville Cenac supported the Payola for Ministers and Legislators. But this week's call from both Parties show the first signal of a similar approach to a question - that of workers wages - since the S.L.P. decided not to talk to the P.L.P.

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NEW INVESTMENT FORECAST, BUT SOME FIRMS PULLING OUT

FL150320 Bridgetown CANA in English 2134 GMT 14 Apr 86

[Text] Castries, 14 Apr (CANA)--Industry Minister George Mallet says that within the next six months some 16 new companies will be investing an estimated 20 million dollars (one EC dollar; 37 U.S. cents) in the island in manufacturing enterprises. Mallet said that in the last four years, his government had given incentives to 52 companies, 32 of which are now in operation.

According to Mallet, 34 percent of all the companies engaged in manufacturing here were locally owned, and another 37 percent were in the hands of foreigners and nationals.

He gave few details of the proposed investments that would be in operation within the next six months, but singled out three local concerns. One was St Lucia Packaging and Canning, which will be involved in the purchasing of local agricultural produce for processing and canning for local consumption and export. Tropicase, Mallet said, would be importing concentrates for processing and packaging while Tropiglass, the third company, would be involved in the manufacture of fiberglass boats.

[The Bridgetown WEEKEND NATION of 11-12 April 1986, page 13, in a story datelined Castries, reported: Yet another American-owned garment factory has closed and pulled out from the St Lucia Government Industrial Free Zone, operated in the southern town of Vieux Fort.

[Marstan Mills is the largest United States firm to shut down. In 1979, Milton Bradley, a large United States toy manufacturing firm, opened a factory at the Vieux Fort Industrial Estate operated by the Government's National Development Corporation (NDC), only to close down less than a year later when automation in the United States proved cheaper.

[Shields Engineering closed a few months later that same year. Dimensions Ltd., another United States firm sticking pop-up greeting cards for the United States market, pulled out about the same time, when its long tax holidays expired, moving to neighbouring Dominica. And a United States manufacturer of food flavourings also moved to Jamaica in 1984, after only a brief stint here.

[One complaint common to all the closures was dissatisfaction of the United States investors with the conditions and facilities available at the Government's industrial estate, where electricity, water, and other such requirements do not always prove as reliable as necessary for meeting market quotas; and where basic necessities complementary to the operation of the several factory shells being rented out by the Government are not always available with the speed needed.]

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CSO: 3298/423

ELECTION CAMPAIGN ACTIVITIES ENGAGE PNM, NAR LEADERS

NAR Warning of 'Tricks'

Port-of-Spain TRINIDAD GUARDIAN in English 10 Apr 86 p 7

[Text] **SAN FERNANDO** — NAPARIMA Constituency Group elections of the National Alliance for Reconstruction (NAR) set for Tuesday night had to be called off because the venue — Lengua Presbyterian School — was much too small to accommodate the crowd of supporters.

Victoria County Councilior Kenneth Paulsingh (Bronte), who is co-ordinator of the interim committee of the area, said yesterday that the committee would meet possibly by weekend to find a large venue and set a new date for the elections.

"We never anticipated such a large gathering," Mr Paulsingh stated. "It was not possible to hold the elections."

Integral Part

Residents were addressed by vice chairman Dr Romesh Mootoo, NAR parliamentarian Trevor Sudama (Oropouche) and NAR Senator Lincoln Myers.

Mr Sudama spoke of the "growing wind of change that is sweeping the country" and called on the residents of the area to be prepared to become an integral part of the change "which should see a positive NAR Government taking charge of the country's affairs."

He urged residents to beware of "election tricks" and to ensure that every eligible voter was registered, and, therefore, had the right to vote on election day.

Senator Myers stressed the importance of accountability and the urgent desire to stop the corrupt practices which had plagued the country.

He said that there was a serious obligation on those responsible for the management of State enterprises to account for the manner in which public funds were being used. "But from all accounts, it would definitely appear that those responsible had things to hide and were against serious, honest and objective public scrutiny," said Senator Myers.

Both Mr Sudama and Senator Myers congratulated the interim committee for the work it had done and the residents for demonstrating "genuine" concern over the state of affairs in the country.

Declining PNM Support

Port-of-Spain EXPRESS in English 12 Apr 86 p 3

[Text] **PRIME** Minister, George Chambers could go down in history as a contributor to the process of democracy.

"If he would give the Elections and Boundaries Commission the proper resources to do their update," said MP for St Augustine, John Humprey "and I hope he gets my message." Humphrey stressed that the EBC wanted a chance to have a clean list while speaking at a constituency meeting of the Port of Spain North on Wednesday night at the Belmont Junior Secondary School.

But the party organiser refused to divulge the source of his recently announced claim that in the East/West Corridor NAR support ranked at 57 per cent while the PNM was at 17 per cent.

He compared statistics from 1976 to 1983. In 1976, he said the PNM got 133,000 and the combined opposition received 46,350 votes ("a ratio of 3:1"); in 1981 the PNM received 122,700 votes and the opposition 66,128 ("ratio of 2:1") and in 1983 in the local government elections the PNM received 48,980 and the Accomodation received 46,523 ("a ratio of 1:1").

"There is a definite trend," he said, adding that whenever Chambers has the gumption to call an elections, the results will show the NAR victorious. He said the ghost of Eric Williams had worked for Chambers elections campaign in 1981, but Chambers had within the last five years failed to seize the opportunity afforded to him in 1981 when he won with a large mandate.

"It is my hope," he said, "that the crooks in the PNM would leave when this (defeat) happens and the decent people will stay and re-organise the party." He stressed that PNM will be the Opposition for some time and that the party had some decent people and some crooks. "And the crooks, " he said, "have their green cards."

Situation in Caroni

Port-of-Spain DAILY EXPRESS in English 14 Apr 86 p 6

[Column "News Analysis" by Anthony Milne: "Campaign Sweeps County Caroni." With its issue of 14 April 1985, the EXPRESS changed its front-page masthead name to DAILY EXPRESS. The Sunday issue remains the SUNDAY EXPRESS. The paper on 13 April, page 3, announced the appointment of Raoul Pantin as editor of the Trinidad Express Newspapers effective 1 April 1986. Pantin had been editor of SUNDAY EXPRESS.]

[Excerpts] The establishment of a National Alliance for Reconstruction party branch in Tortuga last month was a tiny element in the new opposition party's daunting task of mobilising the nation from corner to corner.

Party leader A. N. R. Robinson claims never to have seen organisation taking place on the scale it is now.

RACIAL ELEMENT

Caroni has traditionally been an opposition stronghold—DLP, ULF, and now NAR—though the ruling People's National Movement, in the person of Manichan ("Manic") Ramsaran, holds one of the five national parliamentary constituencies here. Ramsaran sees himself as the PNM's trump card in Caroni and is organising too.

There is a racial element in Caroni's politics, since it is the Indian heartland, but both the PNM and the NAR claim to be *national* parties that cross that barrier.

Local government in County Caroni is completely dominated at present by the NAR which holds all 12 elected seats in the county council. In the 1980 local government election, however, when the ULF was in disarray, the PNM had a majority in the council, which seems to indicate the outcome is never a foregone conclusion.

In the 1981 general election, the PNM received 21,988 votes in the five Caroni parliamentary constituencies compared with the United Labour Front's (or Alliance's) 29,427.

Dr Williams felt the Point Lisas development—in County Caroni—ought to broaden the appeal of the PNM; and opposition politicians have claimed PNM supporters have been moved into new housing developments in the area.

The five parliamentary constituencies in Caroni are Chaguanas, Caroni East, Couva North, Couva South, and Tabaquite.

POWERFUL MAN

Couva North is the constituency of Leader of

the Opposition in Parliament Basdeo Panday, while Chaguanas is represented in Parliament by Winston Dookeran, said to be one of the opposition's most astute MPs, especially in matters of economics and finance.

Caroni East is represented by Manic Ramsaran, a prominent businessman in the Chaguanas area and, of course, the only PNM parliamentarian in Caroni.

Couva South is represented in Parliament by Kelvin Ramnath, said to be part of the ULF old guard, and a powerful man in Caroni, and Tabaquite, of course, is Nizam Mohammed.

There is no guarantee that incumbents will be selected as candidates for the general election, and the Elections and Boundaries Commission may change constituency boundaries.

There have been reports of political violence in Caroni before, and a minor incident took place recently. Hopefully it will get no worse, but it is a measure of the political excitement that is already sweeping the canelands of the Caroni Plain.

Discussion of Poll

Port-of-Spain DAILY EXPRESS in English 15 Apr 86 p 3

[Text]

DR SELWYN RYAN, chairman of the Public Utilities Commission (PUC), confirmed yesterday he conducted an opinion poll in February of this year.

But he has no idea where the results of polls on political support in the country, published in the press recently, came from—and the results currently being voiced do not mesh with those he obtained.

He would give no indication of his results.

"My poll was done purely for academic purposes," Ryan explained, "and are not for public consumption; the poll is not linked in any way to the timing of the general election."

The poll's conclusions are not for sale, though Ryan has received offers; and he discovered that the original documents were missing from his briefcase two weeks after they were completed.

"The results will form part of a research project, and I don't usually keep my work in a draw," Ryan added. But he could not say when the project might be finished.

Ryan confirmed it has been suggested to him that his publication of political polls may not be entirely acceptable because of the important public office he holds.

The People's National Movement (PNM) usually puts no store by polls, pointing to inaccuracies in past results; but some, including one conducted before the Tobago House of Assembly election in 1984, have proved correct.

A poll conducted last year by Ryan and St Augustine Research Associates (SARA) suggested the PNM would lose the next genral election to the NAR.

Robinson Address

Port-of-Spain TRINIDAD GUARDIAN in English 15 Apr 86 p 13

[Text]

CHAGUANAS — A.N.R. ROBINSON, Political Leader of the National Alliance for Reconstruction, (NAR) has called for a spiritual and moral revolution to tackle the many problems facing the country.

He was at the time addressing the first annual conferene of the NAR Caroni East Constituency Group at the Chaguanas Senior Comprehensive School on Thursday night.

Alderman Carl Mohammed of the Caroni County Council won the chairmanship in a hotly contested vote against fellow Councillor Rohan Gandhi Persad.

Corrupt Practices

Mr. Robinson pointed out that there has been "a breakdown of the institutions in Trinidad and Tobago for too far and too long and we must now move to pull it back together," as the country is now bankrupt of ideas, the willpower to succeed and lacks determination."

The chairman of the Tobago House of Assembly said that an NAR Government would have "to put many wrongs right and that the task of reconstruction was not going to be an easy one."

He went on: "We have to cleanse the nation of these corrupt practices which are now eating away the fabric of our nation."

Mr. Robinson stated he has never seen or experienced in his 30 years of political life "such a new spirit of revival for change as I have seen in the last three weeks or so with the formation of about 13 constituency groups."

He termed the NAR "the forward movement and the people are now poised for a new beginning as the torch of history passes into our hands and the country at large must accept this challenge since it would be the only way out."

The former Minister of Finance called on the masses to take "a serious view of the task ahead as we must pledge ourselves to the sacred and eternal bonds in building our nation."

At the same time he issued a call to citizens to "send your ideas to either the secretary of the party or myself in order to formulate a people's manifesto for the upcoming elections."

Statutory Declaration

He warned the party members that in their choice of selection of possible candidates for the general elections, they must select those who are best suited for Parliament and positions in Cabinet. "We would need every available talent in this country in order to put it on a sound footing," he said.

"Every candidate who is screened must sign Statutory declaration to support the person who finally gets the nod to face the electorate for a particular constituency. This is a declaration of commitment. There is no reason for war, individualism, cliques or the galloping against one another," Mr Robinson declared.

Mr Robinson termed the party's electoral process " a democratic exercise where everyone gets a chance to be screened." "The final selection of candidates would be left to the judgement of the screening committee."

He stated the people are calling for "a new hope, thrust, direction and political and moral leadership."

Rep John Humphrey (St Augustine) spoke of the possible acquisition of a 250 acre estate from the Huggins Trust at Las Lomas which would go towards the "landless in the area."

Senator Lincoln Myers called for the strict adherence of the principles of truth and morality in public affairs.

NAR Election Postponement

Port-of-Spain DAILY EXPRESS in English 16 Apr 86 p 50

[Text] **ELECTIONS for officials in three National Alliance for Reconstruction constituency organisations which were to take place on Monday evening have been postponed.**

The deadline for nomination of candidates for the general election has also been extended to April 30.

All constituency organisations were to have conducted their elections by yesterday but there are still 16 constituencies without officials.

The delays have been caused by difficulties in accommodating the large numbers of people turning up at constituency conferences and misunderstandings over qualifications for membership and voting rights in constituencies, NAR public relations officer Ken Ablack explained on Monday.

"The party has now decided to pay more attention to establishing party branches in each polling division to facilitate constituency organisation, including the electing of officers," he added.

During the NAR's unitary conference earlier this year discussion of the constitution got stuck, and it was decided then that, because discussion was taking so long, the constitution would be adopted as it stood and a conference convened "within a month."

This was not done, reportedly because NAR felt it should organise quickly for the general election.

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NAR LEADER ROBINSON INTERVIEWED ON POLITICAL VIEWS

Port-of-Spain TRINIDAD GUARDIAN in English 14 Apr 86 p 9

[Text] With the formation of the National Alliance for Reconstruction taking place almost at the same time as this country is experiencing a considerable downturn in its post 1973 economic fortunes, it seemed appropriate to undertake an interview with the leader Mr ANR Robinson. It is important to point out that this interview by Carl Parris, university lecturer differs from the conventional one in that it was not conducted face to face. It should also be noted that for reasons beyond his control, there is a time lag between the interview and its publication.

1. Q. Do you make the case for devolution of authority only with respect to Tobago or do you make a more general case in all areas of public life, for example, local government, ministerial responsibility, community life?

A. The NAR is committed to the principle of participatory democracy.

The party recognises that one of the principal legacies of the colonial period was overcentralisation of Government. This was a feature of all colonial systems.

The early stage of independence has been characterised by overcentralisation, enhancement of state power and increased Government intervention in all areas of economic life.

This process has been defended on grounds of national unity, state security and economic development.

The Process

However, in many newly independent countries, the process led to bureaucratic inefficiency, corruption, economic stagnation, oligarchy, social and political unrest and dictatorial rule.

NAR therefore recognises the case for decentralisation as a general one, applying to departments of Central Government, Local Government and all areas of public life.

Such decentralisation must be accompanied by clear lines of responsibility and accountability.

Tobago, as a small island separated from the larger community in Trinidad, is recognised by the NAR to be a special case to which the general principle has particular application.

The provision of special institutional arrangements for communities which have peculair characteristics is now accepted policy in the Caribbean region and throughout the world.

2. Q. "Finance"

(a) What short term measures would your party propose to deal with the obvious crisis in the Non-banking Financial Institutions today?

Obvious Crisis

(b) Does your party have a long-term policy for institutional development of the Financial sector to channel funds into areas with long-term development prospects?

A. (a) The "obvious crisis" in the non-banking financial institutions has been due to three principal factors:

(1) the "overheating" of the economy by excessive Government expenditures during the oil boom;

(2) the failure to regulate the growth and operation of these non-bank institutions; and,

(3) the failure on the part of the Government to establish any form of protection for depositors in these institutions.

These three factors resulted in excessive liquidity in the Trinidad and Tobago economy; incontrolled competition for funds driving interest rates upwards; high-risk investment portfolios; misuse of depositors' fund and a consequential run on these institutions for depositors' monies.

Excessive liquidity now no longer exists owing to contraction of the economy and of the money supply as well as loss of confidence in these institutions now desperately in need of funds.

The Government has tried temporarily to slow down the effect of the run for depositors' money by recent legislation which, however, has not been fully implemented.

Attention now needs to be paid to the consequences of the high-risk investments and misuse of depositors' funds.

Bad Situation

Confidence in these institutions will not be restored until these abuses and their effects are addressed positively.

The NAR will assist those institutions which are salvageable to survive. As regards those which are in an exceptionally bad situation, the NAR will control their demise in such a way as to minimise the loss to depositors, reserving the right to take any other action that may be warranted by the circumstances.

(b) In the recent boom years consumption was promoted by the Government at the expense of savings. The link between savings and investment was virtually ignored.

The NAR will make full use of fiscal incentives, savings mechanisms and a wide range of financial and banking institutions to generate and channel investment funds into the productive sectors of the economy.

The NAR will also promote technical advisory services for the small investor. Specifics in these areas are being developed for the NAR manifesto.

3. Q. "Politics"

The NAR has not yet, in my view, captured the imagination of the general population. What bold initiative might you have, as leader, to highten political excitement in the country?

A. Political excitement has already been heightened by the transformation of the NAR from a "federal" to a "unitary party." Other initiatives will be taken as the campaign proceeds.

It must be remembered that the NAR now has a record of achievement firstly, as the four constituent parties which entered into the "accommodation" winning the Local Government elections of 1983, and secondly in the Tobago House of Assembly Elections in 1984 where the "full might of the PNM" (as Prime Minister Chambers described his campagin machine) was decisively defeated 11 to one.

In addition, recent public opinion polls have indicated strong voter preference for the NAR.

The NAR is well aware that there is no room for complaceny and is planning its campaign accordingly.

However, one should remember that excitement is bound to be shortlived. Style is useful, but substance is the foundation of nation-building.

4. Q. "Economy"

The major theme in the 1986 Budget was the 50 per cent devaluation of the TT dollar. What consequences might this have for an NAR Government in 1987 and beyond?

A. The devaluation of the Trinidad and Tobago dollar was an inevitable consequence of the disastrous economic policies pursued by the Government.

Its dissipation of the national heritage of $60 billion in ten years' time is a phenomenal national and regional act of disgrace.

The fact that Trinidad and Tobago is more than ever dependent on oil after ten years of miraculous increase in the national income demonstrates the Government's failure to transform the economy.

This failure appears in manufacturing, in the agricultural and tourism sectors, in the weakness of export manufacturing, agro-industries, processing, and in the absence in Tobago of the basic infrastructure for development of the accepted tourism potential of the island.

The failure appears as well in the annual losses of the state enterprises running into a figure of about $2 billion.

State Of Crisis

Against this background, there has, and continues to be precipitous decline in the price of the country's major foreign exchange earner-oil.

Trinidad and Tobago is, therefore, in a state of crisis which will grow more acute.

The PNM Government is bankrupt of ideas, and has long lost the political will to deal with the crisis.

5. Q. In your view would an NAR Government easily hold together with a shared banner, philosophy, and programme of work? Or do you envisage that as leader you will be hard-pressed to keep it from darting off in several directions?

A. The NAR is the culmination of the movement among the political forces in opposition to the government towards unity.

The parties originally involved in the process contested against one another. Then they agreed on an "accommodation" and next, a federal party.

Now by their own democratic decision they have amalgamated into one party — the National Alliance for Reconstruction — and have individually ceased to exist.

The NAR is truly representative of all major sectors of the community. While it is unitary, it is not monolithic.

Its constitution has been freely adopted, and so has its code of conduct.

It is committed to the transformation of Trinidad and Tobago politics, the Trinidad and Tobago economy and Trinidad and Tobago society.

It has evolved out of deep study, lengthy experience and exhaustive debate.

Political Will

Its leadership has demonstrated commitment and political will. No serious movement in circumstances of national crisis can have easy progress.

However, the NAR has already demonstrated most, if not all of the necessary characteristics.

6. Q. "Guyana"

A number of groups have taken strong positions on the Guyana issue. Among them the Prime Minister of Dominica and Saint Lucia, regional church leaders, and a former foreign affairs minister of Barbados.

So far as I am aware the TT Government has not reacted on the issue. Where do you stand on this matter?

A. The NAR stand is that all Caricom countries should be brought within a regime of minimum standards with respect to human rights while the uniting process should be deepened.

An NAR Government will seek to establish a Caribbean Court of Appeal, a Caribbean Human Rights Commission and a Caribbean Arbitration Tribunal.

An NAR Government will consider human rights violations in any Caricom country a matter for its legitimate concern.

The Furore

7. Q. "Cricket"

At the back of the furore over the visiting English cricketers is a major foreign policy issue. How do you think this country should deal with the proposed tour later this month?

A. The crisis over the visiting English cricketers is another result of weak-kneed and ambivalent positions adopted by the Chambers s Government.

It was so with the crisis in Grenada, the visit of America's President Ronald Reagan to Barbados and then to Grenada.

It has resurfaced in relation to the cricket issue in which anti-apartheid demonstrators and journalists were savagely beaten by the police in full view of the international Press.

Under Chambers and the PNM we have sunk deeper and deeper in the mire of national humiliation.

The inability to deal with corruption, the City Council issue and the issue of the shooting of a Cabinet Minister are all manifestations of the Chambers's brand of ineffectual politics.

An NAR Government would have had the standing and respect to seek in the very beginning unanimity among Caribbean Governments on so fundamental an issue as apartheid.

An NAR Government will ban cricketers who have collaborated with the racist regime in South Africa.

An NAR Government will go further and develop a joint programme with other Caribbean governments including financial support for the promotion of Caribbean Cricket and of Caribbean cricketers.

An NAR Government will also propose a form of common Caribbean citizenship for individuals from the Caribbean who have made outstanding contribution to the region.

Some of our cricketers should naturally quality.

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TRINIDAD AND TOBAGO

MUSLIM LEADER RAPS U.S., THREATENS LOCAL RETALIATION

Visit to Libya

Port-of-Spain DAILY EXPRESS in English 17 Apr 86 p 5

[Article by Deborah John]

[Text]

YASIN ABU BAKR, head of the Al Jamaat Muslimeen, who was in Libya four weeks ago, said yesterday the Jamaat was completely against United States President Ronald Reagan's actions in Libya.

Bakr would address the nation today at a mass meeting to be held in Woodford Square, Port of Spain, at 4.30 p.m.

Bakr said he spent one week in Libya attending an International Conference of Oppressed Peoples which comprised 300 delegates. These included delegates from the Caribbean and observers from the United Nations. He said that the American contigent included an American Indian called Chief Long Walker.

According to Bakr, "It was during that week that the war games took place. I was there, so it is no surprise to hear now that Reagan has attacked Libya."

He added that people who criticise Libyan leader Col. Muammar Gaddafi should remember the following:

— The acts of world terrorism of which Reagan has accused Gaddafi, could have been committed by the U.S. Central Intelligence Agency which has a history of that kind of activity;

— The American government had reportedly dropped $7 billion worth of bombs on Cambodia, which the American people had known nothing about. This was just one incident which shows that the American government has had a history of deceiving its people.

Bakr said that it is naive of Trinidadians to believe that the contention between the U.S. and Libya was simply a matter of world terrorism.

"Anytime a black leader rises, they do their best to cut him down. It happened with Malcolm X, Martin Luther King and Kwame Nkruma," he said.

Bakr added that while he was in Lybya it was obvious that the Libyan people were solidly behind Gaddafi.

He said: "Gaddafi is sincerely committed to the poor and oppressed, and making a good life for the Libyan people. I am not afraid about what the American Embassy in Trinidad, or the government may think about my going to Libya. They can't do me anything. I am not worried about that at all."

Bakr said that at the Woodford Square meeting he would also speak about the government drugs report and the Sexual Offences Bill.

Threats Against Government

Port-of-Spain TRINIDAD GUARDIAN in English 18 Apr 86 p 1

[Article by Francis Joseph]

[Text] IMAM Yasin Abu Bakr, leader of the *Jamaat Al Muslimeen* at Mucurapo, said last night he felt honoured to be called a known supporter of Libyan leader Colonel Muammar Gadaffi and terrorism.

Speaking before some 300 curious spectators at Woodford Square, Port-of-Spain, Abu Bakr criticised the United States for last Monday's air attack on the Libyan cities of Tripoli and Benghazi.

He said American President Ronald Reagan was blaming Gadaffi for what the Central Intelligence Agency (CIA) did.

"Colonel Gadaffi liberated people of Libya from colonialism from the Italians. No one should forget that. Gadaffi freed all Libyans, and I am happy to know that Gadaffi is a man who promotes freedom, not terrorism."

To show his disapproval over the manner in which the Americans attacked Libya and other countries in the past, Abu Bakr said his organisation will fight Reagan "until he surrenders Waller Field and Tucker Valley."

The Muslimeen leader also criticised the Police for what he described as their persistent raids at his Jamaat's headquarters at Mucurapo.

"Last Sunday, the Minister of National Security sent out police patrols around our compound. To show our disapproval, and the fact that we are not afraid of anyone, I sent three of our men to the homes of Padmore, Muriel, Jacelon and Mottley.

War On Police

"We know where they live. We will always find them. If they interfere with us again, we will retaliate against them," the Jamaat's leader said.

Abu Bakr also spoke on the Police raid at a Muslim commune at Point Cumana several weeks ago. He said the Police claimed they seized firearms and ammunition and detained five women (including one seven months pregnant) and two men whom they kept in custody for 48 hours.

The Muslim leader declared war on the Police when he said that his organisation would not fight face to face with the officers. "We will not fight with them when they surround the mosque. We will take them in their sleep," he said.

Abu Bakr said he was in Libya five weeks ago attending a conference. One person asked him if he wasn't afraid to say so to which he replied, "Afraid? I am not afraid of anyone."

He said if the mosque was subjected to any more interference there would not only be local retaliation, but also "on the international scene."

Abu Bakr said the authorities had failed to take any action in the Drug Report. "They spent millions of our dollars without our permission, yet they refuse to arrest those persons named in the report.

"They say they have the evidence against the drug pushers, then why aren't they doing something about them?" Abu Bakr asked.

Other speakers including Cecil Paul of the OWTU also addressed the meeting.

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TRINIDAD AND TOBAGO

CENTRAL BANK REPORTS ON 1985 ECONOMIC SITUATION

FL121636 Bridgetown CANA in English 1618 GMT 12 Apr 86

[Text] Port-of-Spain, 12 Apr (CANA)--The Trinidad and Tobago economy turned in a mixed performance in 1985, characterized by declining foreign reserves, improved trade with the Caribbean Community (Caricom), a rise in government's outstanding debt, and the smallest inflation rate increase in 14 years.

The figures are contained in the Central Bank's economic bulletin for the final quarter of 1985, giving final figures not available before on the performance of the economy for the calendar year.

Pointing to the 33.3 percent devaluation of the Trinidad and Tobago dollar in December, the bulletin says three-quarters of a 1,590.9 million dollar (one TT dollar; 27.7 U.S. cents) increase in foreign reserve figures resulted from this change in the currency value.

In fact, the country's foreign reserves declined by 677.1 million dollars compared with 1,749.8 million and 2,161.6 million dollar declines in 1984 and 1983, respectively.

Net foreign reserves, which stood at 2,850.1 million dollars in the final quarter of 1984, fell to 1,767.8 million dollars in the third quarter of 1985, but rose to 3,358.7 million in the final 1985 quarter, reflecting the devaluation adjustments.

The Central Bank said the devaluation was announced against a mixed performance in the economy with the key oil sector recording a 6.5 percent decline in the final quarter of the year over July-September, following four successive quarterly increases.

Petroleum output dropped to 2,463.5 thousand cubic metres (168.1 thousand barrels per day) in the final three months of 1985--6.5 percent less than in the previous quarter and five percent below the corresponding period in 1984.

Total crude oil production for 1985 hit 64.1 million barrels--3.8 percent more than 1984's.

Total production of nitrogen fertilizer increased by 14 percent for the year over 1984 to 1,663.5 thousand tonnes.

Exports in this field reached a record 382.8 thousand tonnes in the fourth quarter of the year, surpassing by two percent the best export volume recorded in 1984.

Iron and steel production rose appreciably in 1985, particularly in the last two quarters: 49.7 thousand tonnes of billets, 34.1 thousand tonnes of rods, and 19.1 thousand tonnes of wire rods were exported.

A 7.7 percent inflation rate was recorded--the smallest increase since 1971, when prices rose by 3.5 percent, the Central Bank said.

Trinidad and Tobago recorded a 1,411.5 million dollar merchandise trade surplus for the first eleven months of 1985--more than double the surplus for the same period in 1984.

Indications are that a sizeable surplus would be recorded for 1985, representing a dramatic turnaround from the deficits recorded in 1982 and 1983 and a significant improvement over the surplus of 610.3 million achieved in 1984, the bulletin stated.

Trinidad and Tobago's trade with its Caricom neighbours increased overall by 223.1 million dollars in the third quarter of 1985. The rise was 10.1 percent over the corresponding period in 1984.

For the months January to November 1985, Trinidad's trade surplus reached 314.3 million dollars, compared with the 145 million dollars for the same 11 months in the year before.

Imports from other Caricom countries in the first three quarters of 1985 totalled TT168.4 million dollars, whilst exports amounted to 429.9 million dollars.

The Trinidad and Tobago trade pattern for the first three quarters of 1985 breaks down as follows:

Country	Imports	Exports
Barbados	36.5 m	119.8 m
Jamaica	35.7 m	40.6 m
Guyana	23.6 m	126.8 m
Grenada	7.8 m	5.2 m
St Lucia	2.4 m	23.5 m
Antigua/Barbuda	2.5 m	45.2 m
Belize	11.6 m	1.4 m
St Vincent/Grenadines	41.6 m	14.5 m
St Kitts/Nevis	3.1 m	12.5 m
Dominica	3.6 m	5.2 m

Government chalked up a 1,773.1 million dollar fiscal deficit for 1985--2.8 percent higher than that recorded in 1984. The report attributes the rise mainly to a 20.3 percent increase in capital expenditure.

Total government expenditure amounted to 9,697.5 million dollars in 1985--4.2 more than in 1984.

Half of the final fiscal deficit was financed by the change in net deposits at the Central Bank, the rest financed almost equally by net foreign borrowing and net local loans.

Government's outstanding debt stood at 3,785.4 million dollars at the end of 1985; 65.2 percent of its external.

The total end of year debt represented a 2.2 percent increase when compared with the 1985 third quarter.

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TRINIDAD AND TOBAGO

OFFICIALS DISCUSS DECLINES IN OIL OUTPUT, REVENUE

Manning Remarks

Port-of-Spain DAILY EXPRESS in English 16 Apr 86 p 2

[Article by Omatie Lyder]

[Text] **ENERGY MINISTER Patrick Manning said yesterday that in 1980, petroleum revenues constituted 64 per cent of the government's earnings. Since then, he added, this ratio had declined to an average of 38 per cent for the period 1983-1985.**

With the precipitous fall in oil prices over the last three months, Manning pointed out that the percentage of revenue earned from the petroleum sector in this country would have been reduced even more significantly were it not for the countervailing effect of the currency realignment.

The Energy Minister indicated that for the first quarter of 1986, production of crude when compared to the similar quarter for 1985, showed a decline of 5.2 per cent to an average of 167,000 barrels per day.

The average operating cost of petroleum production, excluding depreciation, royalty and petroleum production levy, was estimated at US$5.50 per barrel for 1985 and is projected at US$1.25 per barrel lower for 1986, Manning said. The Minister noted that the price this country had to pay for the fall in oil prices could be minimised by reduced costs and increased productivity.

But, he warned that the extent to which it will be minimised will be dependent on the country's capacity to utilise the groundwork laid in past policies.

The Minister made the point when he formally opened a one day seminar entitled "Life After Dear Oil" organised by the Geological Society of Trinidad and Tobago at the Hilton Hotel.

"It will be dependent on our ability to exercise the imagination, initiative and entrepreneurship for which Trinidad and Tobago is well known.

With reducing income, the Minister noted that there must be stringent financial controls and very effective and efficient operational procedures.

Impact of Price Cuts

Port-of-Spain DAILY EXPRESS in English 16 Apr 86 p 3

[Text] **THE direct cost to this country for every $1 drop in the price of oil is about TT$165 million, economist Trevor Farrell said yesterday.**

However, the economists pointed out that this cost was directly related to the oil industry and did not include ripple effects.

Farrell made the point when he addressed a one-day seminar entitled "Life After Dear Oil" organised by the Geological Society of Trinidad and Tobago (GSTT) at the Trinidad Hilton.

According to Farrell, if there was no devaluation and the price of oil had fallen to US$15 per barrel, the revenue lost to Government would have been about $1.5 billion. However, he said if the devaluation was included and production increased, the fall in government revenue would be about $550-$640 million.

The economist also noted that lower oil prices may lead to increased demand for residual fuel. If this happens, he said, refineries in Trinidad and Tobago may get a bit of a boost.

Farrell pointed out that the petro-chemical sector and Point Lisas can expect to see gas prices lowering internationally but he pointed out that the advantage this country enjoyed in terms of cheaper gas could be eroded.

According to Farrell, it was clear that Trinidad and Tobago's real income has declined and will decline further in 1986. Pointing out that about $3.4 billion was spent on Point Lisas and that it has not worked, Farrell said that the country needed investment in projects such as agro industries, plastics and petro-chemicals.

However, he indicated that whatever the country chooses will require substantial new investment and warned that both prudence and the current state of international finance would dictate that capital be raised from the country's resources.

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TRINIDAD AND TOBAGO

BRIEFS

CEDROS OFFSHORE PATROLLING--San Fernando--Minister of National Security Overand Padmore has seen the need to have a launch available for the policemen at Cedros so that they could patrol this country's waters to ensure there is no encroachment by unauthorised vessels. Stating that yesterday, Parliamentary Representative for Point Fortin, Cyril Rogers said that Mr Padmore toured the police stations at Cedros, Point Fortin and Guapo to see conditions and get an update of operations. Mr Rogers was one of several persons who accompanied the minister on the tour. Referring to off-shore surveillance he said that the minister heard that the policemen at Cedros have to keep checks at 28 different points and he recognized the need for the lawmen to have a patrol boat. Mr Rogers, president of the Cedros Fishing Cooperative Society, said also that the touring party saw about seven Venezuelan small boats passing within this country's two-mile limit off Icacos, going in the direction of Guayaguayare from Guiria. He believed that they were going in that area to catch fish and was sure that they were authorised. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 11 Apr 36 p 6] /9274

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URUGUAY

BRIEFS

HABIB'S VISIT NOTED--Philip Habib, special envoy of U.S. President Ronald Reagan, has failed in his attempt to obtain the Uruguayan Government's support for the U.S. policy towards Nicaragua. Habib left Uruguay after meeting with President Julio Maria Sanguinetti and Foreign Minister Enrique Iglesias. Philip Habib had previously visited Buenos Aires where Argentine President Raul Afonsin reiterated his full support for the Contadora Group's efforts and for a peaceful resolution of the Central American conflict. [Text] [Havana International Service in Spanish 1800 GMT 24 Apr 86 PA] /8918

RELATIONS WITH PRC, TAIWAN--Montevideo, 10 Apr (AFP)--Foreign Minister Enrique Iglesias today stated that Uruguay considers the possibility of establishing diplomatic relations with the PRC interesting. Iglesias recalled that this step would be linked with the suspension of the ties currently held with Taiwan, stating that his government is formulating criteria that will lead to a decision in due time. Uruguay has officially been reviewing since 1985 the possibility of establishing ties with the PRC. In this regard several political and commercial missions have gone to Beijing. [Text] [Paris AFP in Spanish 1402 GMT 10 Apr 86 PY] /8918

BROAD FRONT'S NEW POLITICAL BOARD--The Broad Front has installed its Political Board. This is the body that conducts the day-to-day affairs of the coalition as established by the new statute and approved by the National Plenum in its last meeting. The ceremony was chaired by General Liber Seregni and Dr Juan Jose Crottogni. It was attended by the members of the Political Board who represent the 11 organizations making up the Broad Front. In time, the delegates of the base organizations will join the Political Board. [Text] [Montevideo Radio Carve in Spanish 0000 GMT 26 Apr 86 PY] /8918

BROAD FRONT PROTESTS VOTE--The Uruguayan Senate has appointed first and second vice presidents without the participation of the Broad Front. Colorado Party Senator Eduardo Paz Aguirre and Blanco Party Senator Luis Alberto Lacalle were appointed first and second vice president, respectively. The Broad Front bloc withdrew en masse to protest the manner in which the two traditional parties approached the nomination of the third vice president. Broad Front Senator Francisco Rodriguez Camusso explained the reaction of his bloc by stating that any attempt at influencing the sovereign decision of the Broad Front is inadmissible. Both the Colorado and the Blanco blocs indicated that they would not vote for Jose German Araujo, the Broad Front nominee for the third vice presidency. Thus, this position has remained vacant for the time being. It is expected that the issue will be brought up again at the next session of the Senate. [Text] [Montevideo Radio El Espectador Network in Spanish 1000 GMT 7 May 86 PY] /12913

FERREIRA CHARGES GOVERNMENT--Montevideo, 2 May (AFP)--Uruguay's main opposition leader, Wilson Ferreira Aldunate today charged the government with impeding the investigation and the disclosure of the truth regarding the homicide of former legislators, Zelmar Michelini, and Hector Gutierrez Ruiz, who were murdered in Buenos Aires in May 1976. Ferreira Aldunate, who presides over the centrist National or Blanco party, noted that Uruguayans have the right to know what happened and to know who was responsible for the crime and how it was perpetrated because no one has the right to hide the truth. Ferreira Aldunate noted the need to heal wounds caused by 12 years of violating the rights and dignity of Uruguayans and added that these wounds get infected and bleed if the complete truth is not exposed. He also described as nonsense the successive challenges of jurisdiction raised by the military court against the civil courts regarding those cases involving military officers charged with violating human rights. On 21 April, the challenge of court jurisdiction raised by a military judge halted an investigation that was being carried out by a civil court judge on a case. Ferreira Aldunate noted that unfortunately, everything seems to point out that certain decision-making sectors are determined to obstruct the investigation and the disclosure of the truth. He added that all this is blasphemy. [Text] [Paris AFP in Spanish 2347 GMT 2 May 86 PY] /12913

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END